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Latin America Report

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ENERGY MINISTRIES MEET IN VENEZUELA, ISSUE COMMUNIQUE

Port-of-Spain TRINIDAD GUARDIAN in English 6 Jun 84 p 3

[Article by Kit Roxburgh]

[Text]

MINISTER of Energy Patrick Manning was on Monday uncertain of what will be mainly discussed at the third meeting of the fledgling "Informal Group of Four," a Caribbean and Latin American association of petroleum exporting countries.

The agenda still has to be worked upon, and it is expected that some of the delegates in the four-nation partnership would have arrived yesterday and the programme agreed upon by tomorrow so that the talks, lasting Monday and Tuesday next week, will have as few hitches as possible.

But the aim of the Port of Spain talks, in the wake of last November's Mexican conference, remains vital to the regional grouping.

Major objective, in the context of regional co-operation, is training of personnel.

NOT EASY

With the recent and rapid decline of oil price security, the "Group of Four" will be assured of one thing: Staying alive and vibrant will not be easy.

The group, comprising Venezuela and Ecuador, which belong to the Organisation of Petroleum Exporting Countries (OPEC), and two "outsiders" Mexico and Trinidad and Tobago have very massive headaches indeed — and their association within and outside of OPEC compounds the issues.

Mr Rupert Mends, Chief Petroleum Engineer in this country's Ministry of Energy, mentioned on Monday that regional groups within OPEC are able to get along without disturbing the petroleum industry's foremost body.

Still, take Trinidad and Tobago's position: Why should oil be taken from Venezuela and Mexico to be refined in the Caricom countries of Barbados and Jamaica while this state's refineries are operating way under capacity...needing oil badly to be at least partially viable? Does Caricom mean even less because of the San Jose Agreement which virtually cut out this country from an export role in the petroleum refining sector of Barbados and Jamaica?

This is one of the many and major issues that have to be delicately but decisively looked upon in what has to be more than a two-day conference, beginning Whit Monday at the Hilton.

But it is very important to understand the role and background of the struggling "Group of Four" This is given in a communique issued at the first conference of the group and was re-issued on Monday by Mr Manning and Mr Mends.

It reads:

ON August 1, 1983, in Puerto La Cruz, Anzoategui, Venezuela, at the invitation of the Minister of Energy and Mines of Venezuela, the Ministers of Energy of Ecuador Ing. Gustavo Galindo, Mexico Lic. Francisco Labastida, Trinidad and Tobago Honourable Patrick Manning, and

Venezuela Dr. Humberto Calderon Berti, held informal conversations on various possibilities for reciprocal cooperation.

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SOLD OUTSIDE

In reviewing the energy situation in Latin America, the Ministers noted that their four countries hold reserves of 75 billion barrels representing 92 per cent of the proven oil reserves of the region and 25 billion barrels oil equivalent representing 78 per cent of natural gas reserves.

Their oil production which in 1982 amounted to five million barrels per day, represented 81 per cent of total production in Latin America.

However, the petroleum exports of the four countries are directed primarily towards markets outside of the region while Latin American imports are obtained mainly from non-regional countries.

Thus, eight out of every ten barrels exported by the four countries, are sold outside of Latin America while the majority of the domestic requirements of the region are obtained from extra-regional sources.

The Ministers underlined that these facts demonstrate the great

possibilities for co-operation among

the four regional exporting countries as well as with the other countries of Latin America.

The possibilities for co-operation among the four countries in petroleum and petroleum related activities were the subject of an in depth examination by the ministers in the course of their discussions.

The Ministers agreed to explore in detail concrete opportunities for joint action in the following areas:

- Training of personnel.
- Transfer of technology and technical cooperation.
- Industrial complementarity particularly in capital goods and engineering services.
- Reciprocal assistance in marketing.
- Cooperation programmes with other countries in the region.

These activities would be developed at different levels, with the participation of Ministries, national petroleum companies and technological research and development centres or institutes.

They would also serve to strengthen the activities of regional energy cooperation such as the Latin American Energy Cooperation Programme of OLADE, the activities of ARPEL and the recently established CARICOM Regional Energy Action Plan.

In examining recent developments in the international petroleum market, it was agreed that there are signs of greater market stability after a particularly different period.

The Ministers agreed to increase and systematise their exchange of information on the situation and perspectives of the national petroleum industry in their respective countries as well as trends in the international oil market.

The discussions were held in a friendly and cordial atmosphere. The Ministers agreed that it would be beneficial to hold further informal meetings.

BRIEFS

OIL RECOVERY INCREASE--12 May--So far this year Barbados' oil production has been 90 percent above the figures for last year. In the first four months of last year average daily production was 900 barrels per day and to date this year it is 1 625 barrels per day. Minister of State with responsibility for Energy and Planning, Senator Clyde Griffith, told reporters yesterday that they were hoping to reach a target of 5000 000 barrels by the end of 1984. Last year the oil fields at Woodbourne in St Philip produced 350 000 barrels. Senator Griffith was speaking after touring an exploratory shallow drilling oil programme at Turner's Hall, St Andrew. The drilling programme in this rugged Scotland District area is being carried out under an agreement between the Government of Barbados and Petro-Canada International (PCI). [Text] [Bridgetown SUNDAY ADVOCATE in English 13 May 84 p 11]

CSO: 3298/894

IMPACT OF IRAN-IRAQ CONFLICT ON IMPORTED OIL SUPPLIES VIEWED

Rio de Janeiro MANCHETE in Portuguese 9 Jun 84 pp 18A-18C

[Article by Nelson Lemos]

[Text] The situation is growing increasingly tense in the Middle East. Since the day 3 months ago when Iraq began bombing oil tankers moving through the Persian Gulf--leading Iran to do the same later--the world has been concerned about its petroleum supplies. But is that concern really justified? And what effects might a crisis in oil supplies from the Gulf have on Brazil? This report shows that the situation is more problematical for the Arab countries involved in the conflict than it is for their customers in the West or Japan. The world today is no longer as dependent on Arab oil as it once was, and the chief danger in fact is that there might be a new escalation of the war, which would assume disturbing proportions if Saudi Arabia decided to intervene militarily to defend its tankers.

Brazil today is a country that can calmly follow developments in the Iran-Iraq War and their effects on the movement of petroleum through the Persian Gulf. And there is only one reason: of the total of 623,000 barrels it imports daily, only 210,000 must pass through the Gulf, including 120,000 barrels from Saudi Arabia that could be diverted to a terminal on the Red Sea if the situation in the area grew worse.

Currently, Brazil is not the only country taking a calm view of the way in which developments in the conflict between Iran and Iraq might affect petroleum supplies. Industrialized countries which obtain their supplies from the Middle East have the same attitude, above all because of the large quantity of oil available in the world and the existence of stocks of Saudi oil that were constituted at the start of the year and are now on board oil tankers. Besides, all the producers belonging to OPEC are extracting less oil than their actual installed capacities would permit. If the conflict in the Persian Gulf grew worse, it would be easy for those countries, and especially Saudi Arabia, to turn up the tap so as not to endanger the flow of supplies to the importing countries.

Of Brazil's current petroleum imports (a total of 623,000 barrels daily), 370,000 barrels come from countries in the Middle East. At the moment, its imports are broken down as follows in barrels per day: Iraq: 160,000; Saudi Arabia: 120,000; Iran: 45,000; Kuwait: 30,000; and Qatar: 15,000. Those figures mean that Brazil depends on the Middle East for 59 percent of its imported oil, compared to no less than 92 percent in 1979, when 910,000 of the country's total daily imports of 1,160,000 barrels were supplied by the Middle East.

But the current picture of supplies from the Middle East does not mean that we are dependent on the Persian Gulf for getting the oil out through the Strait of Hormuz, which might be closed to navigation if the Iran-Iraq War intensified. The reason is that the 160,000 barrels supplied by Iraq are already being shipped through the terminal at Ceyhan, which is located in Turkish territory on the Mediterranean Sea. And the 120,000 barrels from Saudi Arabia could be shipped to the terminal at Yanbu al Bahr on the Red Sea through a pipeline that can carry between 1.5 million and 2 million barrels per day.

So in Brazil's case, only the 90,000 barrels per day being supplied by Iran, Kuwait, and Qatar would be affected if the Iran-Iraq War expanded throughout the Persian Gulf and prevented oil tankers from passing through the gulf to the Strait of Hormuz at the southern end of the area.

If the shipment of oil through the Persian Gulf stops, it will not be difficult for PETROBRAS [Brazilian Petroleum Corporation] to replace it with oil from other countries. For that purpose, the company is relying on its excellent relations with Saudi Arabia, one of the OPEC countries, which has an exportable production of 4.5 million barrels per day--far below its actual capacity of around 9 or 10 million barrels. Iraq is in the same position, and Brazil could increase its purchases from that country. Outside the Middle East, there are other producing countries that could increase their exports to Brazil, examples being Venezuela, Mexico, China, Nigeria, Algeria, and the Soviet Union. And in case of extreme difficulty in obtaining supplies abroad, PETROBRAS would suspend its exports of petroleum products, which currently total 120,000 barrels per day.

However, there are certain problems which would make those alternatives difficult. One of them would be the greater demand for petroleum on the part of such big importers as the United States and Japan. This would reduce Brazil's room for maneuver. It is certain that the price of imported oil would also rise, with a negative effect on the country's balance of payments. Suppliers outside the Middle East might be led to adopt a more conservative stand and prefer not to increase their exports too much.

But the attitude at PETROBRAS is one of guarded optimism. And the current situation is even described as "comfortable" by Carlos Sant'Anna, the firm's marketing manager, who has just returned from a trip to the Middle Eastern countries. The reason for the calmness is that today, the chief suppliers of Brazil's oil are the country's own onshore and offshore deposits. About 470,000 barrels per day are being extracted from those deposits, and it is certain that the figure of 500,000 barrels will be passed beginning with the second half of this year.

UNION STATEMENT REVIEWS ELECTRICITY COMMISSION PROBLEMS

Port-of-Spain EXPRESS in English 26 May 84 p 32

[Text]

THE Trinidad and Tobago Electricity Commission is operating at 50 per cent capacity at present and this has been responsible for frequent power outages over the past two days, according to the Oilfields Workers Trade Union.

At a news conference called by the union to "bring the public up to date on the serious situation at T&TEC," OWTU officials gave details on units at each of Trinidad's three power stations.

According to Sylvester Ramquar, a shop steward at the Point Lisas Power Station, five of the ten units at the Penal Power Station were in operation while at Point Lisas, four of the ten units were operating.

At Port of Spain, according to union official Horace Noray, one of the four units was in operation and that unit has been operating at 50 per cent capacity.

Unit one, he said was undergoing annual overhaul, Unit Three has been out of service because of a faulty water pump, Unit Four was out of service because of damaged blades and Unit Two has been operating at half its normal capacity because some of the blades were damaged recently.

The OWTU said the situation at T&TEC was brought about by bad management policies and decisions which had resulted in deterioration of the Commission's services.

Union officials added that the Commission had recently decided to reduce its maintenance programme at Point Lisas by \$10 million although this would affect "much needed" maintenance work at the plant.

David Abdulah, the union's education and research officer, who said that the union felt it had a duty and responsibility to inform the public, noted that despite recent rate increases the public had continued to suffer from electrical outages.

He said that the Commission wrote to the Government in September last year saying that should there be financial constraints most of the Commission's activities would come to a standstill and the problems over the last few years would increase with more outages in 1984.

Abdulah also said that the union had constantly written to the Commission expressing concern over the state of T&TEC's affairs and had offered suggestions but these had always been rejected by the Commission.

The Commission issued a statement last night saying that there had been two accidents at the Port of Spain "B" Power Station in the last week and this resulted in two units there being kept out of service. A third unit at Port of Spain "B" was also out of service for its annual maintenance, the statement said.

The statement added that one of the largest transmission transformers at Port of Spain became overloaded and tripped yesterday morning because of a very high demand for electricity, and that this had a "cascading effect on the generating plant," resulting in the fact that several units at the various power stations being taken off the system.

The statement said the commission was working continuously to complete its Generation/Transmission Development programme and it expected that by the end of this year such disruptions in the power supply would be minimised.

Public Utilities Minister, John Eckstein, made a similar point during a news conference earlier this week, in speaking about the development works in progress at the commission.

At that news conference also, Leo C. Martin, T&TEC General Manager, spoke of the ongoing maintenance which, he said, were routine matters at the Commission's installations.

GOVERNMENT, TEXACO CONTINUE TALKS ON SALE OF REFINERY

Port-of-Spain TRINIDAD GUARDIAN in English 19 Jun 84 p 1

[Text]

GOVERNMENT of Trinidad and Tobago and Texaco are to continue this week to negotiate the company's offer to sell 75 per cent equity in its Pointe-a-Pierre refinery.

The meeting is expected to take place on Friday at Riverside Plaza, Port-of-Spain, with Doddridge Alleyne, Permanent Representative to the United Nations in New York, leading the Trinidad and Tobago Government team while Mr. T.B. Meadows, Vice President of Texaco's Latin America and West Africa Division and a director of Texaco Trinidad, heading the company's side.

Three of the company's officials will be coming from abroad to take part in the talks. It is understood that the same team which had been meeting with Government will continue discussions. Apart from Mr. Meadows, the other two to fly in are Mr. J.K. Killian, General Manager, Manufacturing, of Texaco West Africa, and Mr. D.E. Lyh, Director, Planning Budget, Texaco Latin America, West Africa.

The locals on the Texaco team are Mr. Carl Cabral, Vice President, Texaco Trinidad Inc., Mr. R.C. Dash, Vice President, Texaco Trinidad Inc., and Mr. Ken Augier, another Vice President.

GROUND WORK

Among those on the Government team are, Mr. Frank Barsotti, Permanent Secretary in the Ministry of Finance; Dr. Euric Bobb, Deputy Governor of the Central Bank; Mr. Trevor Bhoopsingh, Permanent Secretary, in the Ministry of Energy; Mr. Lenny Farfan, Permanent Secretary Ministry of State Enterprises, as well as representatives of the Attorney General's Department.

The talks started in Trinidad then shifted to Miami where two meetings were held. They returned to Trinidad for another round of discussion raising some hope that agreement may be in sight, according to observers.

Texaco has indicated that it is interested in retaining only 25 per cent equities in the operation.

A check revealed that since 1982 a five-man inter-ministerial team, headed by Labour Minister, Mr. Errol Mahabir, had been holding discussions with officials of Texaco as the Government sought to lay the ground work for rationalisation of the industry.

On the other hand, the Oilfields Workers Trade Union, bargaining body for the oil workers in the country, wants total ownership of the petroleum industry in this country by nationals. The union believes that Texaco had made sufficient profits and should hand over the operations to Government without delay.

BRIEFS

TESORO PRODUCTION INCREASE--San Fernando--Trinidad Tesoro Petroleum Company Limited has brought on stream three water-flood projects in an effort to boost the secondary recovery of oil and arrest the natural decline in production. According to "Tesoro News," "each project cost an average \$2 1/2 million to bring on stream." It was pointed out that two of the projects in the Fazabad and Palo Seco fields were recommencements. The other, the largest of the three, is in the McKenzie field. The projects resulted so far in a total average of an additional 1,100 barrels of oil a day. Without water-flooding the production rate in each field would have shown a steady decline. At McKenzie water is being injected at the rate of 2,500 barrels a day. As a result, additional 400 barrels of oil a day is being produced. The Palo Seco 500 water-flood scheme is the result of a pilot project which met with some success. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 7 Jun 84 p 7]

GAS FOR TTEC--A 16-INCH pipeline capable of delivering 70 million cubic feet of natural gas a day is being constructed by the National Gas Company to supply gas to the Trinidad and Tobago Electricity Commission's generating plant at Wrightson Road in Port of Spain. Construction began on April 30, and is expected to last four months. When completed, the line will run from the City Gate station in Barataria along the Beetham Highway through the port area and across Wrightson Road. It is being constructed by Omega Fabricon Limited in a joint venture with Dipcon Limited at a cost of \$15 million and will be able to supply T&TEC's entire plant requirements. At present the average daily consumption of gas at the power plant is 30 million cubic feet. Together with the existing pipeline which can supply 40 million cubic feet a day, the new line will be capable of supplying the commission's needs projected over 25 years. The new pipeline will also supply gas to the newly-installed 25 megawatt Rolls Royce generators at the power station, a Ministry of Information release said. [Text] [Port-of-Spain EXPRESS in English 25 May 84 p 2]

CSO: 3298/927

TRINIDAD-TOBAGO TO RESUME BORROWING FROM IADB

Port-of-Spain EXPRESS in English 21 May 84 p 35

[Text]

TRINIDAD AND Tobago intends to resume borrowing from the Inter-American Development Bank (IADB). During the last annual meeting of the IADB held in Uruguay towards the end of March this year, approaches were made to the bank in this regard.

IADB lending policies "are somewhat more liberal than those of the World Bank, and no problems are foreseen for this country getting funds from the bank," Permanent Secretary in the Ministry of Finance and Planning, Frank Barsotti commented in an interview with The Column. The last time Trinidad and Tobago borrowed from the IADB was in the early 1970's.

This approach to the IADB, of which Trinidad and Tobago is a member, is part of government's plans for seeking loans on the international market this year, loans amounting to between (U.S.) \$400 and \$425 million.

A borrowing programme is an essential part of every budget exercise. The country's borrowing exercises are carried out in close collaboration with the Central Bank of Trinidad and Tobago. A joint committee between the Central Bank and the Ministry has been formed to "formulate, administer and virtually implement" the programme.

For the fiscal year 1984, Trinidad and Tobago has to rely more on borrowing than in previous years, and this is as a result of a shortfall in revenue and the need, by the government, "to maintain a certain level of capital investment".

On the question of capital investment, Barsotti said that "different approaches are being considered."

He pointed out that capital investment can be achieved through borrowing from the international capital market, "which Trinidad and

Tobago is more into at the present time because of its relatively affluent situation with regard to other developing countries, and because we have not borrowed from international lending agencies for some time."

Trinidad and Tobago preferred going to the international capital market and started doing so, actively, from the middle of the decade of the seventies.

But "we are doing this very cautiously, however, because," Barsotti made the point, "we do not want to get ourselves in a position where we have onerous commitments, or commitments, which we will have difficulty servicing on the international capital market..."

Speaking about government's policy on domestic borrowing, Barsotti indicated that the Ministry of Finance and Planning works closely with the Central Bank and tends to synchronise efforts at tapping local resources, or mobilising domestic re-

sources, in order not to disrupt the activities of the private sector, or any borrowing which that private sector wishes to do itself on the local market.

A carefully thought out borrowing strategy is vital to the economic planning of any developing country. Planning for Trinidad and Tobago has returned on a five-year basis.

Long-term planning, Barsotti said, also means making attempts to get agreement among government, labour and business on strategies for development which the Ministry of Finance and Planning thinks "are essential and need to be implemented to assist the country to get over difficult periods in the most comfortable fashion".

Barsotti pointed out that "while industrialised countries are now starting to recover from the international recession, consideration must

be made of the effects of the recovery on the fortunes of the developing countries. And, therefore, we cannot wait in the wings while recovery takes place".

At international forums, industrialized countries and financial institutions consistently advocate that the developing countries have to provide "firm" evidence that they are following "correct" policies in attempting to help themselves.

In this regard, Trinidad and Tobago has always been in the forefront. He pointed out that "we have financed much of our own development, and have helped finance development in other Caribbean (Caricom) countries." These efforts have projected a favourable economic position for Trinidad and Tobago and has led to the decision by the World Bank to graduate this country from its lending facilities, without a phasing-out period,

a decision which the bank has now postponed based on representation from this country's Ambassador in Washington D.C.

Barsotti said that because of the level of the country's per capita income and Gross Domestic Product, the World Bank does not consider Trinidad and Tobago to be among the needy developing countries. But Trinidad and Tobago is still a developing country.

To successfully approach the international money market, Trinidad and Tobago must be able to generate "a stream" of foreign exchange revenue sources.

If the country is to service its foreign debts, it must do so with foreign exchange, which the country must earn. This, Barsotti said, was the reason for the creation of the Export Development Corporation and the emphasis that was being placed on exports from this country.

BARBADOS MINISTER: BRITISH AIRWAYS UNFAIR TO CARICOM

Port-of-Spain TRINIDAD GUARDIAN in English 5 Jun 84 p 1

[Article by Norris Solomon]

[Text]

A BARBADOS Government Minister has accused British Airways of "still trying" to treat Caricom countries as colonials.

Mr Bernard St John, Deputy Prime Minister of Barbados and Minister of Trade, Tourism and Industry with responsibility for civil aviation, made the accusation in a telephone conversation with the "Guardian" yesterday.

He said the Barbados Government was trying to ensure that the unfair advantage which British Airways had in the Caribbean did not continue to exist.

"British Airways is still treating us as though we are colonials," he said.

He was commenting on information released by BWIA officials over the weekend that Trinidad and Tobago State-owned BWIA would not be allowed to stop over in Barbados on its way to London on Saturdays.

An announcement to this effect, BWIA said, was made in London last week by Caribbean Airways Managing Director Mr. Sam Waithe.

Questioned about the Barbados Government's stand on the report and the serious implications for BWIA, Mr. St John said he could not answer the question since he was not responsible for issuing licences. The licences were issued by the Barbados Air Licensing Authority, he explained.

Also, he said, he had not read the news reports and he was not aware that Caribbean Airways had issued a statement.

However, he said that he had been holding discussions with Rep. Ronald Williams, Trinidad and Tobago's Minister of State Enterprises on the issue of BWIA and flights.

He said: "Mr. Williams and myself have a clear idea of what we are trying to achieve. We have had very pleasant discussions and our discussions are continuing.

NO DISAGREEMENT

"There has been absolutely no disagreement between us."

Mr. St John said discussions were also continuing with the British Government.

The "Guardian" attempted to contact Prime Minister of Barbados, Mr. Tom Adams, on the issue but was informed that while he was in Barbados he would not be in office this week.

Mr. St John said his discussions with Mr. Williams concerned the whole situation relating to airlines operating in the Caribbean and he felt that one way for BWIA to fight the issue of landing rights in Antigua and St Lucia with British Airways was in a joint effort by the Governments.

BWIA has been seeking to be allowed to fly to London via St Lucia and Antigua. It already has stop-over rights in Barbados but with the new development, it seems fated to lose the rights to pass through that country on Saturdays on its way to London.

The Saturday flights, BWIA states, is the most lucrative and if BWIA is not allowed to do so British Airways stands to benefit.

Trinidad and Tobago Government and the United Kingdom Government, together with BA officials, are in continuing talks over route rights linking the region and the United Kingdom. So, too, have been other Caribbean governments.

Over the years Trinidad and Tobago had been seeking to have BWIA designated as the regional carrier.

At the last two Caricom meetings in Jamaica and Port of Spain the matter was among the important issues discussed.

However, while no final decision was taken as regards a regional carrier, member States had agreed to give support to BWIA as the designated carrier on routes for their countries.

Meanwhile, it is understood that Air Jamaica and British Airways recently established a new commercial agreement.

While details were not outlined it is understood that it includes weekly 747 flights direct from Jamaica to London and on to Europe.

It is understood that under the new agreement Air Jamaica flights are scheduled to connect with British Airways in Miami seven times weekly with no need for visas for transits in Miami.

GRENADIAN PLEADS FOR RELAXATION OF TRINIDAD VISA MEASURES

Port-of-Spain TRINIDAD GUARDIAN in English 9 Jun 84 p 1

[Article by Kit Roxburgh]

[Text]

MR. WINSTON WHYTE, whose many scars tell of his four years of imprisonment and torture under the regime of his former political colleague Maurice Bishop, yesterday said that his native Grenada is still in a state of trauma and needs the prayers of her Caribbean neighbours.

Grenada also needs the visa requirement imposed by Trinidad and Tobago to be lifted, as both countries are worse off economically through the law.

Grenadians, because of the time and trouble in getting visas to enter Trinidad for business and other reasons, are doing more trade with Barbados.

The law was imposed in the aftermath of the October 1983 military intervention of Grenada by United States forces along with troops and policemen from some Caribbean States. Trinidad and Tobago did not take part in the exercise which followed the slaying of then Prime Minister Bishop and several of his colleagues.

Mr. Whyte, 39, arrived in Trinidad on Thursday. He said he and two other members of his political party are on a fact-finding mission.

He is the head of the Christian Democratic Labour Party, which was formed over the Easter weekend.

SITUATION 'DICEY'

The political situation in Grenada is "dicey" he said. Right now there are six parties gearing for the elections for which a date has not yet been set, although the interim government, formed after the intervention, indicates that the polling day will come before the end of the year.

But, said Mr. Whyte, because of the apolitical nature of the interim government, it is unable to make hard decisions.

Worse, Grenada has not recovered psychologically from the bloody events of October last and he does not see any one political party gaining a majority with the election.

His party believes that a coalition government "of national reconstruction" is the answer and believes that an evangelical, more than political framework is necessary for the country to regain normalcy.

Up to yesterday, he had not been able to meet with any senior Trinidad and Tobago Government official, but he had talks with Opposition Leader Mr. Basdeo Panday.

LESTER BIRD DISPUTES STATEMENTS BY OUTLET COLUMNIST

St Johns the WORKERS VOICE in English 12 May 84 pp 1, 2

[Text]

4th May, 1984

The Editor
The Workers Voice
46 North Street
St. John's

Dear Sir/Madam:

In the April 27, 1984 issue of OUTLET, Tim Hector in his column "Fan the Flame.., made a number of statements which have absolutely no bearing in reality, and others which were so slanted that they bordered on absurdity. In entitling his article "George Walter in Time and Place", Hector was quite clearly endeavouring to keep the option open for him to receive AWU support in future electoral campaigns. He has recognised what has been obvious since the creation of the PLM, and that is the fact that political entities in Antigua have trade union support. The PLM without a union backing in the last election was a spent force, and now the ACLM Leader has attributed all the failures of the proposed merger to Robert Hall and the PLM. This is certainly not out of any love for the UPM, but it is clearly a recognition that the UPM and labour union support, and he needs that support if he ever hopes to obtain an elected office in Antigua.

Be that as it may, the "Leader" has a right to acclaim who he may, and establish the necessary recognition and support for himself. But what he does not have a right to do is to misrepresent realities. Let me say from the outset, that the AT&LU and ALP are not stating that George Walter did not contribute to the working class movement in Antigua. That is not the issue. We are simply stating that one must render unto Caesar the things that are Caesar's, and not those

to which he has no claim. But then again Tim's statements in recent weeks have given one cause to wonder what internal mental forces are at work. He stated at Weston House during the week of nominations, that nobody had ever heard him attack Hall, because he appreciated the fact that here was a white man completely identifying himself with Antigua and not with England or Ireland. But before the end of his lengthy discourse, he had painted Hall to be the villain of villains and the leading culprit behind the failure of the merger.

BUT LET US LOOK AT HIS SPECIFIC STATEMENTS.

He stated for example that "George Walter was to make the most significant contribution to the Labour Movement in this country", and that "it was George Walter and not V.C. Bird who expanded the Antigua Trades Union, from sugar factory and field workers, to the whole mass of white and blue-collar workers, civil servant and clerk, maintenance man and tradesman". The truth of the matter is that the AT&LU has always functioned as a blanket union, and from its origin had men of varied walks of life. No one has to tell Tim that the Union had among its leaders, J. Oliver Davis, F.O. Benjamin, Ashley Kirwan, and Reginald Stevens to mention just a few. This is one reason why some sections of the Union were termed General Workers. Is it not Caradoc Goodwin who worked dilligently among civil servants who were Union members? Tell us Tim, since you seem to remember things differently to old-stagers in the Union -- when chronologically did maintenance workers and tradesmen become part of the Union? Was it after 1956? Did Levi Joseph not possess any organizational skills? Why did Judge Perez say that it would have been better if a millstone was tied around his neck and he was cast into the sea? Certainly you scored a point with the hotel workers, because the hotel industry came into existence in the sixties. Yes, render unto Caesar the things that are Caesar's.

It would, however, appear that Antiguaners are sometimes too prone to forget, so it may be opportune to recall certain specifics to memory. The concept of the union-party that emerged in the Leeward Islands was different from that in Barbados and Jamaica, and it was due to the efforts of the original founders. In Antigua there was no apparent differentiation between the Union and the Party, and both went under the name of the Antigua Trades and Labour Union until election time, when the political arm was referred to as the Antigua Labour Party. The Union was the stronger link of the dual organization, the one which provided the finances for the dual body and the one to which workers

owed gratitude. The workers in turn elected members of the Union to the Legislature. It was a system which worked quite well until the internal problems that caused the split in 1967, and the emergence of the AWU. The point to be made is that due to the leadership of V.C. Bird, a potent force representing the people of Antigua, successfully fought the British Government, the plantocracy, and the merchant class. In a small territory like Antigua, had this dual organization not existed, the progress made would have been greatly diminished. One only has to compare the internal developments in the Windwards with Antigua between 1940 and 1967 to have this fact brought home forcefully.

John Hatch, historian and renowned scholar of the Fabian Research Bureau, attests to the fact that in the fifties, the Antigua Trades and Labour Union was the best organized in the Caribbean. The leaders at the time, be you reminded Tim, were men like V.C. Bird, E.H. Lake, L. A. Hurst and B.T. Carrott. The Antiguan union had not only demonstrated much strength, but its officers displayed the ability to out-maneuver and out-think the employers. The Union found that many employers were in the habit of hiring Montserratians to replace Antiguan trade unionists who called upon the Union to settle their grievances. Montserrat had no organized union up until 1946, so Bird and other trade union officers went to Montserrat and gave much needed advice on trade unionism. By the fifties, the Montserrat Trade and Labour Union and the Montserrat Labour Party was a miniature of the Union-Party in Antigua and the AT&LU was freed from the menace of unorganized labour.

We can go on and on, but it is sufficient to say that it is most puzzling to hear one who constantly seeks every opportunity to display his wisdom, state that another Antiguan contributed more toward working class solidarity than V.C. Bird.

In the same manner, Bird was still the most dominant individual in Antigua in 1965; and the winning of the election in that year was due to the culminated efforts of the Labour team with him at the helm. But the ACLM leader tells us differently. When, oh when, will the oppositionary forces stop disrespecting the intelligence of Antiguan?

Hector is critical of Bird for organizing workers into political constituencies. He stated: 'There was no agricultural workers branch, no electrical workers branch, etc. etc. Thus the workers could not see and develop their own consciousness and advance their own skills through education and self organisation.' What

the workers did do Leonard Tim, is assist in the development of a democratic society based on Fabian socialist principles, modified to the Antiguan condition. In reality, the Antiguan union had sections in all major villages of the island. Each section was required to hold weekly meetings, keep records and report matters of particular interest to the Head Office in St. John's. In the city there were a number of sections such as the Seamen and Waterfront Workers Section, and General Workers No. 1 and 2. Officers from a strong section in the city would be called upon to travel to a weak section in one of the villages and undertake its revitalization. Additionally, members of the Union's executive was required to visit the various sections from time to time, and each executive member was responsible for a certain district comprising number of sections. At the annual conference representatives of all sections met in St. John where they discussed the activities of the year, and drew up a blue blueprint for the coming season. At a time of a political election, if there was a vacancy for a candidate from a particular constituency, the members of the Union in that constituency were required to choose their candidate. Bird was severely criticised for that procedure. Some members of the Union-Party claimed that the executive committee should make the choice of a political candidate, and that the President of the Union should demonstrate a preference for a particular individual. Bird, however, insisted on the democratic principle that the people should decide upon their representatives.

MOLDING A NATION, TIM, MOLDING A NATION

Now, to end it all off, the venerated Leader of the ACLM accused Labourites of being camp followers. This charge coming from one who was prepared to make sacrificial lambs out of his devoted lieutenants. The man who stated that of the four constituencies reserved for the ACLM in the United Front, only his St. John's City South, would return a candidate for the United Front. The other three ACLMites would be competing against V.C. Bird, Joseph Myers and myself. Hector himself admitted that these were sure Labour seats. Are we talking about camp followers? Did Harold Lovell and Conrad Luke question the exalted wisdom of the Leader?

But we were talking about camp followers, were we not? Imagine if you will, fellow countrymen, someone asking the likes of Robin Yearwood, Rueben Harris and Adolphus Freeland to run in constituencies where they were bound to lose their deposits. And imagine again dear people they were told to do this in order to ensure the election of their leader in a United Front.

We have only asked you to imagine, so please remain calm and responsible as is befitting to most Antiguan.

Yours truly,
LESTER BIRD
Deputy Prime Minister and
Minister of Foreign Affairs,
Economic Development, Tourism
and Energy

[Editor's Note: This letter also appeared in the St Johns NATION'S VOICE of 21 May, page 3]

CSO: 3298/892

VERE BIRD SINGS PRAISES OF ALP, HAILS ELECTION VICTORY

St Johns NATION'S VOICE in English 21 May 84 p 1

[Text]

Speaking before a crowd of an independent estimated 15,000, Prime Minister The Rt. Hon. Vere C. Bird Sr. reminded Antiguan that the ruling Antigua Labour Party built up the country without any opposition, and assured them that they should have no fear for the future.

He spared no time in pointing out that when his ALP dominated parliament, schools were built or acquired every village. Free Secondary Education was offered, forced work and Children's Labour were abolished, the shilling-per-week wages were ruthlessly stamped out. Electricity was placed in every village to every citizen's advantage, Telephone Lines and public telephones were introduced in every village, Free Medical attention was offered to young children and elderly citizens. The Workman Compensation Act to protect workers against on-the-job accidents and the National Provident Fund offering security to workers with benefits were introduced.

The Prime Minister lashed out at the oppositions for destroying the Desalting and Electric Generating Plant at Crabbs, the Running down of the Electricity Plant at Cassada Gardens and Friars Hill. The Poor State of Health Care to the people, Mass unemployment, the closure of the Sugar Industry, the Cornmeal Factory and many many others. He cited Bad Management of the economy and inefficiency, corruption and dishonesty as the main reasons for Antigua's Five Black Years under PLM - AWU and Walterizm.

In an obvious reference to the results of the recent general elections in which his ALP won all 16 constituency on Main Land Antigua, Mr. Bird described it as a "Wonderful Victory for Antiguan right and justice," and promised that he and his Party would be giving Antigua and Barbuda greater service.

The Prime Minister was at the time addressing Union-Party members and

supporters at The West Bus Station just before the start of a solidarity march through St. John's on Labour Day.

Also addressing the gathering was President of the Antigua Trades & Labour Union, Senator William Robinson who described the occasion as a two-fold celebration.

He recalled the struggle which the Union encounter in getting a special holiday for The Workers on the statute books.

He also lavished praised on Prime Minister Bird for the part he played in Union Building from a talking-box to a producer and achiever.

Mr. Robinson warned that Antiguan should not

be side tracked by petty indifferent men who are bent on retarding Antigua's progress at a time when the world is looking on. "Let them" he said "spend their time dealing with the mercury unimportant vicious little things. We will spend our time in building a better state for all, so that when our short time on this stage is past, we will not leave illusions, but the reality of our dreams, a truly democratic country, where workers are king and the power belonging to the people with not just Bread, but butter, with decent homes, with security for the society with schools with good teachers, a health system that caters for all and opportunity for each according to his ability."

CSO: 3298/892

ALP PLANS FULL CONVENTION FOR END OF JUNE 1984

St Johns NATION'S VOICE in English 21 May 84 p 2

[Text]

The ruling Antigua Labour Party, which swept the polls in the April 17th General Elections, is to convene a full convention next month.

The convention is slated for June 24th to 25th, and it is the first major gathering of its type for the party in four years.

Observers view this as a means for the party to elect officers to the important positions in the party, thus creating avenues for the smooth transition of power within the government whenever it becomes necessary.

Nominations for the top posts in the party are ex-

pected to come from the 16 constituency branches. The position of Political Leader, now held by Prime Minister, the Rt. Hon. Vere Bird, is expected to remain unopposed but all other positions are expected to be contested.

The convention is also expected to discuss at length the party's 1984 Election Manifesto, and adopt programmes and policies for the next five years.

The ALP held a mini-convention on April first, but this was mainly to introduce its election candidates, and to approve the manifesto.

CSQ: 3298/892

ATLU, ALP SUPPORTERS MAKE HUGE LABOR DAY SHOWING

St Johns THE WORKERS VOICE in English 12 May 84 p 1

[Text]

Supporters of the A.T.L.U and the A.L.P. turned out in thousands to show their solidarity with the A.T.L.U and also to celebrate the sweeping victory of the A.L.P. at the polls in the recent general elections.

What observers have described as a crowd in excess of ten thousand people, gathered at the West Bus Station to hear Labour Day messages from the Prime Minister of Antigua and Barbuda and the President of the Union, before parading across the city to the Union headquarters in North Street. The March climaxed a scaled down week of activities by the Union leading up to Labour Day. The events commenced with a public meeting at Emancipation House.

This was followed by a Bingo Game at the Carnival Bowl which replaced the traditional Queen Show, the Thanksgiving service was held at the Liberata Moravian Church on the Sunday

before Labour Day. All events were well supported by the public.

There was an even larger crowd at Fort James where a Labour Day picnic is usually held after the parade.

The A.T.L.U. wishes to take this opportunity to thank all those persons who assisted the Union in its activities. Meanwhile the Union is submitting a number of proposals on behalf workers in the country to the government for action this year.

CSO: 3298/892

OPPOSITION DLP INTRODUCES TAX LAW AMENDMENTS

Bridgetown BARBADOS ADVOCATE in English 16 May 84 p 3

[Text] The Opposition Democratic Labour Party (DLP) has accused Government of introducing taxation without legislation or people representation.

The accusation came yesterday as Government introduced a bill to amend the Provisional Collection of Taxes Act which seeks to extend the time for introducing enabling legislation after budgetary proposals.

Under the new legislation any new tax or an increase in an existing tax shall be payable without the making or passing of the appropriate enactment for a period of 12 months instead of four months under the previous Act.

Introducing the measure, Leader of the House of Assembly, Mr Lionel Craig, said that over the years it was found that a number of amendments to existing legislation was necessary to give legal effect to successive budgets delivered by the Ministry of Finance.

He noted that in an effort to maintain secrecy around the budgetary proposals legislation could not be amended until after the proposals were delivered, but it was found that the previous period of four months was too short bearing in mind the volume of work being undertaken by the Attorney General's chambers.

This meant, he said, that legislation which gave final effect to some budgetary proposals could be brought to the House of Assembly after the four-month period which negated the collection of taxes the measures intended to raise.

The Government's case was supported by Minister of Health Mr L.B. Brathwaite, who stated that the amendment was absolutely necessary in order to give the Government time to draft and present the legislation to Parliament without breaching any substantive legislation.

Attorney General Mr Louis Tull explained that the Provisional Collection of Taxes Act, was first introduced by the previous Government when it realised that it could not get the enabling legislation through the House of Assembly as soon as the Minister of Finance presented his budget.

Mr Tull said that over the years the Attorney General's chambers had accepted blame for a number of matters but stated that up to the presentation of the budgetary proposals all affected files were in the Ministry of Finance and this prolonged the drafting or amending of legislation by his department.

In an effort to speed up the preparation of enabling legislation, Mr Tull said he had suggested that the Chief Parliamentary Counsel should be involved in the preparation of budgetary proposals so that on delivery of the budget there would at least be a ready draft to all enabling legislation.

This proposal has not yet been accepted but Mr Tull maintained that he would continue to pursue the idea.

But while the Government members argued for more time to bring legislation to parliament, the Opposition contended that the four-month period in the substantive Act was adequate time and pointed to a number of problems which could arise if the period was lengthened.

Deputy Opposition Leader, Mr Erskine Sandiford, said the bill struck at the fundamentals concerning Parliament and the procedures for taxation.

He termed the measure "an insidious piece of legislation...perhaps more insidious than any other piece of legislation ever brought into the House."

He said that the House of Assembly was being asked to say that the Minister of Finance can impose taxation simply by his words and that Parliament remain silent on such matters for an entire year.

Mr Sandiford urged members of the Assembly not to accept what he described as "prime ministerial rule" because it would be surrendering all the privileges inherited over the last three centuries.

Further describing the measure as "very dangerous," the Deputy Opposition Leader said: "We would be trusting the word of one man for an entire year... that will be a very sad day and I am asking the Government to withdraw the measure and find the administrative machinery that can do the work to bring bills to this House in four months," Mr Sandiford added.

Noting that the measure sought to introduce taxation without legislation and without people's representation, Mr Sandiford asked "what is happening in this country that such a measure could even be contemplated?"

Opposition leader Mr Errol Barrow, in his contribution, gave a history to the introduction of the Act in 1967 which among other things, maintained secrecy of Government's budgetary proposals but gave legal draftsmen time enough to prepare the legislation that was affected by any new taxation impositions.

Mr Barrow also alluded to what he called "perpetual taxation without legislation: which he said, gave the Minister of Finance the right to impose taxation throughout the year without Parliament discussing the legal and other implications before a 12-month period.

He declared that there was nothing in the laws of Barbados which prevented the Minister of Finance from imposing tax measures at the end of the financial year in March... "so that taxation will be taken over by increases in taxation...or in other words perpetual taxation without legislation."

Mr Barrow said that as author of the original legislation he could not therefore advise his opposition benches to vote for the amendment.

Shadow Minister of Finance, Dr Richie Haynes, in his contribution called on the Government to conform to the law as opposed to attempting to alter it.

He said the bill had arisen as a result of Government's frustration and incompetence to meet the statutory stipulations and referred to "several breaches" of previous legislation as he exemplified the Health Levy and the Transport Levy, the collection of which, he contended, breached the Provisional Collection of Taxes Act.

Dr Haynes urged Government to seek an alternative route rather than weaken the financial structure.

CSO: 3298/895

TOURISM SECTOR IN SPOTLIGHT; GOVERNMENT PLANS PROBE

Dear Charges of Neglect

Bridgetown THE NATION in English 14 May 84 p 1

[Text] Chairman of the Barbados Board of Tourism, Mr Jack Dear, has accused political parties of not paying enough attention to the problems facing the tourist industry.

Addressing a seminar last Saturday in which the Board of Tourism, the Barbados Hotel Association and the Royal Barbados Police Force attempted to thrash out some of the difficulties they encounter in tourism, Mr Dear said: "...I find an absence, nearly a total absence, of political will to deal with these (tourism) problems."

Identifying some of the problems as beach harassment and drug-pushing, Mr Dear said that whenever a Government attempted to get tough with these problems, there were frequent opposition charges that the country was being turned into a police state.

He added that even when governments changed and the new rulers tried to conquer the problems the former government would then make charges of "police state" and "selling out the country to foreigners."

The tourism board chairman, reiterated his plea for more attention to be paid to beach harassment. He argued that "the beach is not the most popular place for a public market" and in any case "the fact remains that the conduct in any market has to be controlled."

Prostitution

He called on Government to do something to regulate it.

Turning his attention to male prostitution on the beaches, Mr Dear said that his trade had reached a state where the males operating had introduced business cards. These, he said, were passed on abroad to sexual pleasure-seekers by those tourists who had availed themselves to the service.

Mr Dear spoke of "customs officers who were tipped off" and allowing the passage of illegal goods, such as drugs, into this country. He urged police to do everything in their power to stamp out this practice and its perpetrators who "are an even bigger menace to society than murderers and arsonists."

Plans for 'Detailed' Study

Bridgetown BARBADOS ADVOCATE in English 19 May 84 p 1

[Text] The Barbados Government has announced plans to carry out a major investigation of the tourism industry, its main hard currency earner.

Parliamentary Secretary for Tourism, Mr Leroy Sisnett yesterday told a group of American travel agents that "as we approach the point to take off in the tourism industry after a short period of decline, Government has decided to undertake a detailed examination of sector." He did not say what form the investigation will take.

There has been sluggish growth in tourist arrivals this year continuing a trend in 1983 which saw the first increase in visitors for four years. Tourism receipts last year reached \$503.2 million (one Bds dollar equals 50 U.S. cents).

MR Sisnett also announced that a report on a review of the management and organisation structure of the board of tourism, the Government agency which runs the industry was expected within weeks.

The tourism official said another report of a comparative pricing study, conducted in response to complaints that hotels here were too expensive, was expected shortly. There was an ongoing tourism expenditure and motivational survey as well as one on the socio-economic and environmental aspects of the industry.

The Parliamentary Opposition has pressed Government to take new initiatives to revive the industry. Mr Sisnett appeared to be responding to this when he said "as you (travel agents) can see we are not taking tourism for granted, we are serious about tourism and dedicated in our efforts to assist you in marketing Barbados as a preferred destination."

Mr Sisnett said the Greater Independent Association of National Travel Services produced US\$20 million in business for the Caribbean during 1983.

He said that during the past five years tourism in Barbados had gone through a cycle which had paralleled that of the world economies.

In 1979 the island welcomed 91 354 visitors from the U.S., a quarter of our total visitor arrivals for that year.

Although visitors arrivals from the U.S. declined during the next three years to as low as just over 75 000 in 1984 this traffic still represented about 25 percent of total visitors, he said.

The Parliamentary Secretary told the travel agents that with the return of economic prosperity in the U.S. last year a record 113 989 American visitors came here, 34.7 percent of all tourists.

"This number represented the highest number of visitors ever received from a single destination in a calendar year...." Mr Sisnett said.

Barbados, he added, was in the process of registering and classifying all tourist accommodation in the island using the international 1 to 5-star classification system.

"Although our aim has been one of offering a quality product and giving value for money to our guests we have been cognizant of the need to maintain competitive pricing of our product.

"Hoteliers, in general, have played their part in holding their rates steady during the last year and in some cases there have even been reductions," Mr Sisnett added.

CSO: 3298/896

NUPW LEADER GODDARD APPEALS FOR UNITY OF UNIONS

Bridgetown THE NATION in English 15 May 84 p 20

[Text] Joseph Goddard, the general secretary of the most powerful public service union in Barbados, the National Union of Public Workers (NUPW), has called on all such unions to unite in the interest of preserving the trade union movement.

In an exclusive interview with THE NATION yesterday, Mr Goddard said it was definitely in the best interest of the movement that unions such as the NUPW, the Barbados Union of Teachers (BUT), the Barbados Secondary Teachers Union (BSTU), the West Indies group of University Teachers (WIGUT), and the Prison Officers Association should come together.

"There is a mistaken view that the only person who can represent a teacher is a teacher and the only one who can bargain for a nurse is a nurse. This is not true. All over the world unions, in the face of pressures from employers, such as governments, are coming together as single units and as trades union congresses. There is no rationale in any such argument.

"We would be one strong force if we could stand as one. Our personnel would be better utilised and we would have more efficient research services at our disposal," Mr Goddard said.

He noted that in the past when unions had to bargain with Government over the same issues, there were always problems because some representative committees were trained, while others were not, and, as a result, took different approaches.

Mr Goddard said that some persons had been critical of the Barbados Workers' Union (BWU) for not joining with other unions on matters of mutual importance, but he "understood their position," which he said would have been based on the attitude of smaller unions over the years.

"We need to show some maturity in the trade union movement in Barbados and I am certain that we could significantly increase our strength," Mr Goddard said.

CSO: 3298/895

GOVERNMENT NOT EXPECTED TO RETURN TO IMF FOR LOAN RENEWAL

Bridgetown SUNDAY SUN in English 13 May 84 p 1

[Article by Tony Best]

[Text] With the standby loan agreement between Barbados and the International Monetary Fund (IMF) set to expire by the end of this month, all indications point to Barbados not seeking an extension of the loan arrangements.

One highly placed source in Barbados has indicated that the island will not be going back to the fund.

"It is not our intention to seek an extension of the loan arrangement and any money we need we would go into the commercial money market for it," said the source.

If there was a single clear indication as to the Government's intention, it is that Barbados has so far declined to apply for an extension of the current arrangement. "All we can really say is that we have not made an application to the fund to renew the agreement," the source said.

The standby agreement was negotiated in 1982 and it came into effect on October 1 of that year. It provided for the fund to make some 31 875 000 SDRs (Special Drawing Rights) available to Barbados over a period of time ending May 31, 1984. The agreement called for a series of steps to be taken by the Government to reduce the country's deficit. Most of those steps were already in place by the time the agreement was signed.

However, considerable public controversy developed over the conditions attached to the loan. The Adams Government has consistently maintained that the IMF had not imposed any special conditions on Barbados and that the agreement called for the policies of the Government which had already been implemented at the time of the signing of the agreement, to be carried out.

One provision of the standby arrangement called for Barbados to pass quarterly economic performance tests, something which it did with relative ease. By passing the tests, Barbados was able to draw down from the loan on schedule.

By the end of March, Barbados had an undrawn balance of close to four million SDRs. "The balance was drawn down since then," the source explained.

Officials of the IMF are due to meet with representatives of the Ministry of Finance sometime next week to discuss matters relating to the existing agreement. It is believed they will also meet with the Prime Minister and Minister of Finance, Mr Tom Adams.

CSO: 3298/895

QUESTIONS RAISED ABOUT MOVEMENT OF DEFENSE FORCE UNITS

Bridgetown THE WEEKEND NATION in English 11-12 May 84 p 3

[Article by Roy Morris]

[Text]

WAS there some kind of national emergency in Barbados yesterday?

This was the question on the lips of scores of people seeing a Barbados Defence Force (BDF) convoy rushing along the country's roads.

The convoy, comprising two jeeps, one armoured car and a truck full of heavily armed soldiers in camouflage fatigues rushed past vehicles along Highway One, going in the direction of Bridgetown with hazard lights flashing.

The sight of the vehicles caused many raised eyebrows, and questioning faces, as witnessed by a NATION team which followed the convoy

from Road View in St. Peter to Fontabelle in St. Michael.

Contacted, Major Hartland at the BDF's Garrison, St. Michael headquarters said there was no emergency on.

He stated: "I can assure the people that there was no emergency in Barbados yesterday which involved the Defence Force. What we did have, was a routine exercise in the north eastern section of the island — around Walkers, St. Andrew. What you saw must have been part of the exercise. I assure you there was nothing untoward happening."

EXCESSIVE SPEED

Questioned about the use of beacons and hazard lights, and the need to travel at excessive speeds while forcing other drivers to pull their vehicles to the left of the road, Major Hartland said he would take the queries as a complaint and have it investigated.

A top level officer in the Ministry of Defence and Security said: "You can refer to me as an official and quote

me as saying that there was no emergency in Barbados or else I would have been told.

"We have had a number of questions raised about the way army vehicles are driven on the country's roads, and the number of accidents that they get in would also cause questions to be raised

"I have had to pull my car over to the left while driving at least once because of army vehicles rushing past me while on routine exercises. The speeds at which some of these soldiers drive when on casual business are speeds I think are reserved for ambulances and the police in emergencies."

INFORMED

The official said the Chief of Staff of the BDF, Brigadier Rudyard Lewis had been informed of the way some of the army vehicles were driven.

Efforts to reach the chief of staff were futile, as he was said to be "conducting interviews".

BRIEFS

AIRPORT SECURITY--A new security system will be introduced at the Grantley Adams International Airport shortly, when the Ministry of Defence and Security relinquishes operations there. This was revealed by the Deputy Permanent Secretary in the Ministry of Defence and Security, Mr Owen Estwick said the present 45 guards, currently working on a shift basis at the airport will be permanently attached there and the airport manager, Mr Pat Callender, would be responsible for the supervision and day-to-day management of security operations. Mr Estwick pointed out that the Ministry of Defence and Security would only become involved in the security operations there if there was a national security matter to look into. Mr Estwick said such a decision came about because the ministry of Defence and Security would be looking at a broader concept of security. He added, however, that his Ministry and other government officials were now in the initial stages of the plan, and he could not say when the new system would be implemented. He said: "I have no doubt that it will be effective before year-end, whether or not the available plans are modified. [Text] [Bridgetown SUNDAY SUN in English 13 May 84 p 1]

CSO: 3298/896

VICE PRESIDENT REPORTEDLY ORGANIZING NEW PARTY

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Jun 84 p 4

[Text] Yesterday, after meeting with advisers and governors who back his candidacy, Vice President Aureliano Chaves told former President Geisel that his space in the PDS [Social Democratic Party] is becoming smaller every day, and that perhaps he has no alternative other than to form a dissident group which would act as a likely embryo for a new party. The report was confirmed in Rio by former Minister Armando Falcao, bearer of the message to Geisel. In Porto Alegre, the vice president's campaign coordinator in Rio Grande do Sul, State Deputy Antonio Carlos Borges, said that the new party might be launched on 28 June by Aureliano, with the name National Democratic Party (PDN), at the outset.

On that day, the vice president will be visiting Rio Grande do Sul. According to Borges, the decision regarding the new party will take into account the events of 25 and 27 June. On the former, the PDS national board of directors will vote on the preliminary, proposed by its acting chairman, Jorge Bornhausen. Two days later, the Congress must vote on the Figueiredo amendment, which could theoretically be changed by the opposition, establishing direct elections now. The congressman from Rio Grande do Sul stressed that if the preliminary or the return to the polls is approved, Aureliano will remain in the PDS, because he thinks he has a chance under those conditions. As for doubts, he cited the fact that the foundation charter and bylaws of the new party are already prepared.

Last Alternative

Armando Falcao, who traveled last night and will be away from Rio for 10 days, said that former President Geisel has made no comment on the message from Aureliano, but like all those backing the vice president, he thinks that this is a time for caution and circumspection.

According to the former minister, the creation of a new political party should be the last alternative adopted after all others have been exhausted. He said that the vice president should act without haste, but he also admitted that "he cannot wait too long before assuming a position."

He also confirmed the fact that "the basic notion of the group is the formation of a large anti-Maluf front, if necessary." However, he noted that he did not

know what former President Geisel's position was in this regard, because they had not discussed the matter.

The vice president's decision was made after a meeting in Brasilia in which Governor Esperidiao Amin of Santa Catarina and Governor Roberto Magalhaes of Pernambuco participated, as well as Senator Marco Maciel. Governor Gonzaga Mota of Ceara, also a member of the Aurelianista group, will not be able to visit the capital until today.

The participants in the meeting reached the conclusion that Aureliano Chaves' position in the PDS is becoming increasingly difficult, and that the only viable solution is to leave and form a dissident group.

To Avoid Exhaustion

That conclusion was the same one reached by former Governor Ney Braga, Armando Falcao, Gens Meira Mattos and Reynaldo de Almeida, and businessman Sergio Quintela, who met last night with Aureliano at the Leme Palace Hotel, in Rio.

At the Rio meeting, the possibility of the dissident group and the new party was discussed, but at all times acting cautiously, because the essential thing now is not to exhaust or burn out the vice president.

Nevertheless, an Aurelianista informant refused to give any information on the position of that dissident group or new party (which is prevented from launching candidates by law) toward the succession situation; but he noted that an agreement with the opposition, primarily with the PMDB Tancredista group, is quite possible. He also remarked that General Geisel himself will certainly not take a stand against such understandings, "but the concern now is to spare Aureliano Chaves and avoid useless exhaustion."

As for the report that Minister Mario Andreazza (whom the informant always makes a point of calling "colonel") may have suspended the negotiations with Aureliano Chaves, he only said that the action was expected and that for this reason it has not surprised anyone.

According to the politician, the interior minister's candidacy has been eliminated, especially now that, as it has been learned, President Figueiredo is refusing to heed the requests to appoint his candidate, Rocha Maia, as his replacement in the ministry.

He thinks that only Antonio Carlos Magalhaes is in a worse situation than Andreazza, finding his adversaries in the PDS joining Maluf and, with Andreazza's defeat, space for Aureliano and for the opposition being lost by him.

The Founders

The coordinator of the vice president's Rio Grande do Sul team, Deputy Antonio Carlos Borges, discussed the group's next steps before a meeting with Governor Jair Soares at which, he guaranteed, the matter would not be taken up; because

he was at the Piratini Palace only to accompany a delegation of cooperative members from his electoral region. But Borges told the newsmen other details regarding the development of the idea of the party thought up by Aureliano.

He said that among the 101 founders of the group there should be included the former mayor of Sao Paulo, Olavo Setubal; former Sao Paulo Governors Paulo Egydio Martins and Abreu Sodre; the former governor of Parana, Ney Braga; the head of the Rio PDS, Wellington Moreira Franco; businessman Antonio Ermirio de Moraes; former Deputy Celio Borja; and possibly Governor Esperidiao Amin, of Santa Catarina.

Also according to Borges, from six to eight of the 23 PDS state deputies from Rio Grande do Sul, including himself, will form the party, and perhaps a PMDB member, Nelson Rietzel. He noted that it is Aureliano Chaves' expectation that the new initials will even attract congressmen from the moderate branch of the PMDB, on the national level; which would reinforce his position among the candidates for the presidential succession, in a large anti-Maluf front.

Based on the account from the Rio Grande do Sul congressman, the Aurelianista group also intends to compete in the indirect electoral college, if direct elections are not held now. He argued that, despite the short time, the party could succeed in registering with the Superior Electoral Court and hold its convention, qualifying it for the voting on 15 January 1985.

Aureliano Chaves' visit to Rio Grande do Sul, originally set for 25 June and later postponed until 28, 29 and 30 June, will coincide with President Figueiredo's presence in the state to take part in the reopening of the Sao Pedro Theater in Porto Alegre and the National Champagne Festival in Farroupilha. But the details of the two visitors' agendas have not yet been divulged.

2909

CSO: 3342/121

REQUISITES IN OPPOSITION CANDIDACY OF MINAS GOVERNOR VIEWED

Tancredo Sets Two Conditions

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Jun 84 p 4

[Text] Governor Tancredo Neves has established two prerequisites for his becoming an opposition candidate for the presidency of the republic: that he be sought in Minas, and that Deputy Fernando Lyra's sub-amendment to the government's constitutional amendment converting the requirement for no conflict of interest into a requirement for leave, with the same deadlines retained, be passed.

Other than that, cautious and experienced, he will await events either in the Palace of Liberty or participating in meetings with the leaders of his party, but excluding adventures or, far more, precluding the possibility of failing the people of Minas who, after all, selected him to try to solve some of their problems.

Seeking him in Minas means primarily unity in the PMDB [Brazilian Democratic Movement Party] and unity among the opposition, without which any candidacy except that of the PDS [Social Democratic Party] would become innocuous in the electoral college, in view of the majority, albeit unstable, of the official party. It means surmounting the current stalemates among the opposition groups, establishing a common strategy and realizing that, if united, the government's adversaries could become the government. But this does not suffice, because seeking him in Minas also means a clearcut, objective understanding with the PSD dissidents resisting the candidacies of Paulo Maluf and Mario Andreazza. With Aureliano Chaves heading them, they will constitute a decisive factor, causing the majority to lean toward the opposition.

All this requires time and coordination. It will not be impossible but, if it is to occur, it will demand effort, tolerance, and competence. But that will not suffice either.

Another prerequisite as important as that of unity among the opposition, in Tancredo Neves' view, is the passage of Fernando Lyra's sub-amendment, which will give him time to make the candidacy and the victory viable. The Constitutional currently requires that governors running for the presidency of the republic must leave their positions 5 months before the election, removing

the conflict of interest. In this instance, it involves the governor's resignation. In order to contest for the government leadership, he would have to leave the Minas government definitively on 15 August, because the electoral college meets on 15 January. He is not inclined toward doing this. It would mean betraying the electorate which voted him in at the polls in November 1982; particularly, because, owing to the obvious economic difficulties, he has not yet succeeded in carrying out plans and projects that he had intended. Instead of resigning, he could merely take leave and even accept the risk, even though his nomination may not yet have crystallized. In the event of his defeat, he would be in a position to return to the office of the Minas chief executive. However, he would by no means agree to leave the Palace of Liberty permanently, without guarantees.

Conveyed to individuals who are very close to him, those considerations do not preclude Tancredo Neves' candidacy, but rather make it realistic. He has faced the problem head-on, without illusions or false impressions. It will be possible for him to reach Planalto Palace, provided they want him and offer him alternatives. A presidential candidacy should not belong to the candidate, and no one is entitled to run individually; just as, conversely, no one is not entitled to refuse. In short, he is where he has always been, ready to serve and never to dispute.

On Tuesday, some PMDB governors will meet in Sao Paulo to assess the situation. Tancredo has the decisive support of Franco Montoro and other leaders of the state executive bodies. Ulysses Guimaraes has hesitated, based on the stance adopted by more radical sectors of the party, the "Only Direct" group, who are willing not to take part in the indirect election and, strangely enough, prefer the victory of Paulo Maluf rather than that of the Minas governor. In the event that the indominatibility of these intransigents were to be overcome, the next step would be to seek the support of the PT [Workers Party] and the PDT [Democratic Workers Party], another difficult task. Luis Ignacio da Silva did not make any decision at his party's recent national convention, a party also divided between participation and non-participation in the electoral college. As for Leonel Brizola and his PDT members, the situation is unique: They accept the indirect election and the candidacy of Tancredo Neves itself, or of someone else run by the PMDB, because it is the majority party among the opposition. But they are adamant about the need for a 2-year term, not one of 4 or even 5 years, for Figueiredo's successor. Their position is related to the ambitions of the Rio de Janeiro governor, a candidate for direct elections, which he would like to have occur in 1986, the year in which his administration in Rio de Janeiro will end.

Hence, to make the candidacy of the veteran, experienced Minas Gerais leader viable does not appear easy although, it is worth repeating, it is not impossible. Good will and good sense which are, moreover, comments increasingly disseminated in the PMDB, would suffice. However, a kind of decisive "blitz," even on the legislative level, would have an effect, because the Fernando Lyra sub-amendment, not having been adopted by the constitutional reform reporter, Senator Aderbal Jurema, is in a position to be voted on and approved, with distinction, when the matter is assessed at the end of the month.

The deadline for the decisions is not far off. It is 15 August, and hence there are 2 months for negotiations and dialog. The Tancredo Neves option does not horrify the government, and so there will not be many problems with the support for the Fernando Lyra sub-amendment. However, Maluf's backers will, obviously, flee like the devil does from the cross, from the possibility of having the wording "no conflict of interest" exchanged for the term "leave" in the Constitution.

There is another possibility of an opposition candidacy in the event that Tancredo Neves' nomination does not materialize. It is that of former Senator Paulo Brossard, who is not embarrassed by obstacles stemming from the exercise of terms in office. It is also a nomination that is acceptable because of the situation, and capable of achieving unanimity among the opposition.

One conclusion is to be drawn from all this: It is time to move, because the war of the succession has become a war of movement. It will be of no use to the opposition to remain clinging to irreproachable but innocuous principles, such as that relating to direct elections alone, without other alternatives. It must learn the lesson ironically offered by Paulo Maluf who, because he is the only candidate on the other side to have moved, ended up acquiring supremacy over the others. He can only be defeated by more movement, and efficient movement. If it remains in the trenches, unmoving, the opposition will end up defeated. The recent commemoration of the 40th anniversary of D-Day, when the allied landing took place in Normandy, provides an example to be imitated: It will not be through the Maginot Line that the attacking troops and the Panzers will be successfully avoided; but rather by crossing the Channel and taking Omaha, Utah, Sword, Gold and Juno all at once.

Alliances Seen Necessary

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Jun 84 p 3

[Text] Few persons know Governor Tancredo Neves as well as Federal Deputy Ulysses Guimaraes does. Both have traveled side by side in Brazilian politics for decades, and they need not talk in order to know what each is thinking about certain matters.

And it is perhaps because he knows Tancredo so intimately that Ulysses insists upon avoiding the premature launching of a single opposition candidate for the presidency of the republic. This is because, in addition to knowing the Gerais governor, he also knows the people of Minas, and he realizes that someone from Minas usually does not take chances.

Now how can one expect Tancredo, who has a term guaranteed for another 2 years and 9 months, to resign from it on 15 August, irrevocably, in exchange for a by no means sure possibility of contesting in the presidential election in a divided electoral college?

The effort on the part of the opposition members is good, because it removes immobility, which is sometimes fatal in politics; however, there is still a certain amount of naivete in that expectation. Indeed, because one notes a division within the PMDB itself: a respectable faction is seeking to start the policy of "milk with coffee," in other words, Tancredo at the top and Ulysses as vice president; but the national head of the party, experienced and dispassionate, is quite well aware that the more approved expression is "coffee with milk."

He is not ignorant of the fact that time tends to hem in Tancredo Neves and to force a new political situation from which he would emerge a beneficiary, as an opposition candidate. That angle whereby the PMDB head has analyzed the facts may possibly be the same one at which the Minas governor stands.

Tancredo Neves realizes that, in order to run successfully for the presidency of the republic, he must rely on highly complex alliances. The first one would be with his fellow countryman (and traditional adversary), Aureliano Chaves, who has been nurtured by the same presidential dream.

Only Aureliano's defection from the PDS, achieved safely, will provide the opposition with an opportunity for creating a majority in the electoral college and electing a non-PDS candidate. However, that prospect is never sure, because one can hardly accept the flaw of a traitor within some redeeming compensation.

And what could be offered to Aureliano, who has already been a federal deputy, a governor and vice president of the republic? And so, the accommodation and support of Aureliano's backers have become an extremely complicated problem, in addition to not being the only one.

To guarantee a majority in the electoral college, the PMDB would also need the unconditional alliance of the Workers Party and the PDT. It so happens that, every day, the differences in behavior between the PMDB and PT are becoming more marked; and Governor Leonel Brizola is a candidate for the presidency of the republic, in other words, he too is a competitor.

In that universe, wherein each is pulling the rope to his side, the risk of discarding a governor's term, procured at great cost, to take a chance on a patriotic contest which however is not guaranteed, is becoming very great. If Ulysses Guimaraes persists in avoiding the launching of a candidate now, they must understand his reasons.

But in that troubled, almost "tailspin" context into which the succession to Joao Figueiredo has been converted, some individual situations must be analyzed. For example, there is the case of the secretary of the Sao Paulo government, Roberto Gusmao, who is not naive: He is quite well aware of the difficulties involved for unity of the opposition around Tancredo Neves, not because of the unity per se, but because of the special circumstance that the launching of the Minas candidate requires a risk that he himself may perhaps not accept.

Since he insists upon that line, it must be agreed that he has an alternative in mind in the event that the undertaking does not turn out well. And what could it be? Well, if the candidate Tancredo Neves does not take the lead, and leaves the gap in the opposition's competition open, someone else will have to fill it. And who would it be?

Here there opens a gamut of preferences each of which needs to be analyzed. It is obvious that the national head of the party, already a launched candidate, stands out as the one who would naturally emerge to replace Tancredo. However, consideration must also be given to the extra-partisan possibility represented by the former mayor of Sao Paulo, Olavo Setubal, who is always remembered as someone capable of uniting the opposition.

In fact, Setubal did not become the strongest candidate for the presidency of the republic only because he rejected the idea of joining one of the existing political parties. Angered by the abolishment of the Popular Party, he has remained outside the party picture, and this is what is hurting him now.

While simultaneously facing this problem, the former mayor has influential friends who are still struggling for his candidacy. Tancredo Neves himself, in the event that he does not "mount the horse," might offer among the potential solutions the nomination of Olavo Setubal. Franco Montoro and Roberto Gusmao are also included among those who would not die of sorrow if Setubal should end up as the acclaimed conciliation candidate of the opposition; and this is most likely a possibility that they are counting on at present.

It should be noted that the current policy is affected by incredible restlessness. In view of this, significance is attached to the meeting of the opposition governors set for Tuesday in the city of Sao Paulo. It was in that city that the movement of popular regimentation on behalf of direct elections began, and there also a new, coordinated political action might increase, for the purpose of uniting the opposition around a single candidate.

Happiness

When news is very good, it can hardly be kept a secret. Maluf's backers in Sao Paulo, who are becoming increasingly euphoric, cannot keep secret certain details of the conversation that Paulo Maluf held with President Joao Figueiredo at the beginning of the week.

Judging from what those Maluf backers have disclosed, the former Sao Paulo governor guaranteed the one to whom he was speaking that, if he were elected president of the republic, Figueiredo and his relatives could have peace of mind, because he would not allow nor accept any initiative that might even affect the family's image. In addition to his, he offered the president an opportunity to propose for the Ministry of Army someone in his strictest confidence, as a means of being certain that the new government would uphold the previous administration in all respects.

Also to leave the president convinced that his type of government line would continue, he promised to keep Delfim Netto in his post for another 2 years, as a way of ensuring the economic and financial policy and the reaping of the first results. It is not known how Figueiredo reacted to those proposals; however, the political news of the week gave an idea of this.

2909

CSO: 3342/121

SOLIDIFICATION OF TWO CAMPS IN SUCCESSION ISSUE DISCUSSED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Jun 84 p 5

[Text] Although it is subject to a thousand turnabouts until 15 January, the date of the electoral college meeting, the succession is showing signs of heading in two directions: one, a continuist direction; and for the present no mention is being made of extending the term of Gen Joao Figueiredo. This direction is reflected, in the PDS [Social Democratic Party], by the Paulo Maluf and Mario Andreazza candidacies. They represent the guarantee that individuals, models and concepts of the government will change little; and, furthermore, that those currently in power will not suffer any disadvantages or shocks as a result of mistakes made or abuses committed, nothing relating to the repression of the 1970's, it is true, but to the corruption of the 1980's. This does not mean that, if elected, the deputy or the interior minister will keep the present structures intact, and would not promise an effort for reforms and solutions in the political, economic and social areas. Proposals of that type are part of their plans currently in the preparatory phase. Their major distinction, however, lies in the fact that they are accepted and even preferred by Gen Joao Figueiredo and the leading figures in the government, because, involved with them, needing them to attain their objectives, they are therefore indebted to them.

On the other side is the so-called direction of change. It is marked by a kind of broad front, involving the opposition parties and the PDS dissidents, headed by Aureliano Chaves. At least for the present, the chances do not favor the vice president as a candidate, but push him toward a PMBB [Brazilian Democratic Movement Party] candidacy, possibly that of Tancredo Neves, backed by the PDT [Democratic Workers Party] and the PT [Workers Party].

Change is mentioned because the individual who will oppose the official candidate will represent the national desire for fundamental alterations in the form and essence of both the government and the country. The throngs in the streets during March and April wanted more than direct elections. They were crying out, and are still crying out, even solitarily, for deepseated reforms in habits and positions, as well as in politics, the economy and the social realm. They reflect the population's feeling of exhaustion and surfeit, after 20 years of imposition, arbitrary action and presumptuousness, which caused the general dissatisfaction to increase.

The new event disclosed by the many incidents during the week, involving Senator Jose Sarney's resignation from the presidency of the PDS, and the manifesto of the party dissidents, calling for the holding of preliminaries, are related to this apparent division of the succession process into two major channels.

It is obvious that the candidate of the opposition groups in a coalition with the PDS dissidents, if he should win, will not engage in any witch-hunt, nor slash the jaguar with a short stick. However, he will be far more susceptible to changing everything in the government, as well as to not interfering if someone who has been hurt takes to the courts actions and incidents that have occurred in the recent past. Without being a Pilate, he will wash his hands, in other words, he will not foster persecution, but he will not have the ability, the desire nor the interest for preventing the settlement of scores, provided it is instigated in the realm of the judiciary.

Concurrently, it should not be thought that the winner, if he comes from the so-called continuist direction, will keep everything like a carbon copy or xerox of the present time. He will have his own ideas, he will carry out specific projects and he will certainly change methods and individuals; however, it will be on a slow scale and, who knows, not even graded, bound to commitments and seeking not to create the slightest uneasiness for his predecessors, great and small.

The funnel is growing narrower, as the nature of the matter demands. Five years ago, when the first speculation began on the succession, the list of hypotheses cited by the palace aides (hello, Professor Heitor de Aquino) was long and open like a fan. It included Petronio Portella, the great favorite, Aureliano Chaves, Paulo Maluf, Mario Andreazza, Helio Beltrao, Marco Maciel, Danilo Venturini, Octavio Medeiros, Walter Pires, Delfim Netto and many others. With the passage of the months and, paradoxically, the decline of those who most closely surrounded Gen Joao Figueiredo, certain names disappeared. That of Petronio Portello because of his death, Hilio Beltrao because of withdrawal, Danilo Venturini because of his transfer to the reserves, Octavio Medeiros because of the action of Golbery do Couto e Silva and Riocentro, Walter Pires because the time of the general-presidents had passed, and Delfim Netto because of the failure of the economic and financial policy. There also began to be questioning of the main feature of the presidential hopefuls, to the effect that Figueiredo's successor would have to be someone like him, linked to him, and capable of continuing the endeavor to perfect the regime. The concern, which was political primarily, because politics had been accruing excellent results through openness, shifted to less calm areas, such as the economy, which, while it had been poor, was left desperate.

The years put public opinion completely against the government, and this would have been shown more if it were not for the electoral casuistry practiced in 1982. With Riocentro, the society turned against the contradictory government full of surprises. The elections of 2 years ago, for the Congress and the states, revealed the national exhaustion with PDS and Planalto; and the recent campaign for direct elections left no doubt. Governors and governed were located at opposite poles.

The selection of candidates continued, but soon they forced the definitions which must now be obvious. First timidly, and later overtly, each candidate ended up taking his place. This week, everything became clear, despite the comings and goings of all of them.

If not an ideological one, a political difference has arisen among the candidates. It could even be doctrinal, if we accept as a doctrine the model that is under way, pursued by the government, and the opposite models. Changing and continuing have become key words in the process.

The specter of the extension of the terms of the head of government has not disappeared completely. It is still hovering there, as many people adopt a remarkable reasoning: By allowing the "demarches" to benefit Paulo Maluf at the PDS convention and in the electoral college, he could, at a given time, surprise the opposition itself with the question: "Well, do you prefer Maluf for 5 or even 6 years, or my continuation in the government for another 2 or 4 years?" There are many indirect denials, but they must keep their specific weight. They are worth less than clearcut, objective, direct words from the president of the nation, without intermediaries, would be worth. Could it be merely because the press covers it every day that Figueiredo has not acted thusly?

This week, the situation will evolve further. On Tuesday, in Sao Paulo, the opposition governor will meet, and Franco Montoro may not only cite the importance of an immediate launching of a nomination by the PMDB; he might possibly personalize it, indicating Tancredo Neves. At the same time, in Brasilia, there will be a meeting of the party's National Executive Commission to discuss the issue. Will they or will they not launch an immediate nomination? Despite the fact that Tancredo Neves has lined up reservations and preliminary requirements for engaging in the adventure attempting to defeat the PDS candidate, many already predict his agreement. Deputy Fernando Lyra is one of them. It would suffice if there were some notations on paper and certain promises from the PDS dissidents and the more radical opposition groups, to make it viable immediately. After all, despite the fact that he is a former PSD member, from Minas and cautious, he has proven to be a man of courage and definite positions. No one can forget that, 2 years ago, when faced with the surprising total association of votes required for the 1982 elections, Tancredo took the lead and dissolved the PP [Popular Party], a moderate party which he headed, incorporating it into the PMDB.

As for Maluf and Andreazza, they are still in an open campaign. The latter is swallowing toads and remaining faithful to the president; after all, he is his minister. The former, acting more at ease all the time, is attempting to make it clear that he will provide for all interests and serve the system better than anyone else.

2909

CSO: 3342/121

FAILURE OF RIO GOVERNOR TO STEM CRIME WAVE DISCUSSED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Jun 84 p 7

[Text] Flatly refusing to combat crime through the police entities existing in the state, Brizola, in an interview with JORNAL DO BRASIL RADIO at the beginning of the week, reiterated the old, discredited cliches with which his government is currently protecting the outlaw activity of assailants, illegal bookmakers, beggars and peddlers in Rio.

Showing visible annoyance, the dark Socialist leader cited the failure of the system's economic policy as the main cause of the proliferation of outlaw activity in Rio de Janeiro, which is now at an intolerable level; claiming that it is of no use to reinforce the policing when the federal government is the first to put new hordes of bandits and young thieves on the streets and in the suburbs of Rio every day.

He made a point of clearly stating that the problem of urban violence and poverty is completely unsolvable, at least until there is a really "democratic" government in Brazil; and that the absolute lack of public safety, with all its dreadful implications, is currently a minor matter, compared with the wretched life style of the muggers, illegal bookmakers, beggars and vagrants holding sway over Rio.

He has even gone ahead and requested funds from the federal government, added the governor who, however, in his typical radio-aired explanation, omitted any explanation for the spending on the Sambodrome and the questionable loans made by BANERJ [Rio de Janeiro State Bank] to relatives, and even to very wealthy dark Socialists.

He also gave no explanation for the failure of several campaigns announced vociferously by his "administration," such as the ones called "hunting beggars," "water will run," and "Brizolas," with hundreds of new classrooms in the Pharaonic Sambodrome (built with money from the school lunches), "a plot for every family," "collective work projects" in the suburbs and the interior, etc. And even less so, for his still devoting 24 hours of his day to political affairs, primarily the presidential succession; while Rio is becoming one of the major drug havens in the world, thanks to the freedom that the present governor gives to the powerful gambling ringleaders and other lawbreakers.

Military Without a Response

Without any serious opposition in the political area, particularly in the Legislative Assembly, not even from the PDS [Social Democratic Party], Brizola has, with a veritable feat of magic, succeeded in stifling the complaints made by the Military Police Officers Club and the Firefighters Corps, in a manifesto memorandum signed by Lt Col Themistocles Germano Muniz Filho, administrative vice president of the entity, during the temporary impediment affecting the actual president, Maj Paulo Cesar Ramos Barbosa, who has now been reinstated after have served a disciplinary prison term.

That memorandum almost failed to be made public, still remaining without a response from Brizola, his secretary's office and his federal, state and municipal legislators.

The document, which is simply terrifying, exposes the entire plan for upheaval of the dark Socialists, to make Rio the headquarters for social agitation in Brazil.

In it, the Officers Club of the Military Police (PM) and Firefighters Corps (CB) clearly show that they are not unaware of the economic causes of the crisis that the country is experiencing, while at the same time putting forth serious accusations against the Brizola government, in the person of his secretary of justice, Vivaldo Barbosa, who is charged therein with being a "super-secretary of security," and also identified as the one most to blame for the obvious protection given here to all criminals in the name of "human rights."

The memorandum from the military stresses: "The worse part of it is that, during a time of crisis, the secretary of justice, with elusive interviews, is still putting the blame for the government's failures and omissions on the Military Police and the Firefighters Corps; because the Civilian Police, endowed with more cunning, always find a way of getting out of things."

The Spurious 'Rights'

Although acknowledging the justice of a genuine "human rights" policy, the PM and CB officers claim that the action of the Brizola government in this respect has, up until now, served to "give privileges to criminals, to the detriment of police action." And they add: "Institutionalizing tolerance of the so-called illegal bookmaking has given organized crime leeway to expand, with the intensification of drug trafficking and an increase in the reception of stolen gold and other valuable objects, the result of thefts and robberies, by commercial establishments open to the public, without any inspection."

The memorandum also claims that they are not unaware of "the very high degree of corruption noted in various sectors of national life," commenting that there is an enormous number of robbery victims in Rio who prefer not to complain to the police, because they do not have confidence in either the police stations or the magistrates in the justice system; because there are

approximately 50,000 persons convicted by the courts who are at large in the city.

"The population needs to respect its police, but it does not. The measures announced by the state government fill us with shame, primarily because they are not meant to solve or reduce the public security problems," stresses the memorandum, after giving assurance that "the troops have their fingers in the till," a fact that is now admitted and proclaimed by all the PM and CB military units. These units are completely lacking in motivation, discredited, insecure, frustrated, weary and abandoned (constant expressions in the memorandum), in addition to facing natural problems stemming from very low salaries.

The officers request that Brizola eliminate for once and for all the office of the "super-secretary" of security, Vivaldo Barbosa, who is systematically preventing the joint action of his two colleagues in the security area, agent Arnaldo Campagna and Colonel Nazare, who, together with the commander of the Firefighters Corps, should be dealing directly with the matters in their jurisdiction, along with the state governor.

They also want a definition of the real powers of the governor's military cabinet, which Brizola reduced to total impotence and uselessness, forcing the troop commanders to waste time in line, in the halls and waiting rooms at Guanabara.

Most of all, they called for the human and material rehabilitation of the Civilian Police (now called the Judiciary Police), who are not considered fit to deal with urgent requests from the Military Police, because of a rapid report writing with a flagrant delay averaging 8 hours, a mere recording of an incident taking over 2 hours and a brief appearance at the scenes of crimes, taking from 2 to 12 hours (sic).

The PM and Firefighters Corps are without any resources under the dark Socialists: lacking vehicles, spare parts and uniforms. They lack even suitable, sufficient food at the "mess." This occurs while, at the doors of the civilian police stations, one, two or three idle vehicles remain parked, "to the serious detriment of the uniformed policing."

Finally, directly contradicting Brizola's ideas, these officers demand that the Civilian and Military Police start "a constant action to capture the most notorious lawbreakers for whom there is an order for arrest," with an intensive repression of organized crime.

Nevertheless, this week, Brizola has already stated that he will not undertake an investigation of slums in search of criminals. He, who is always very well guarded and protected by his well-equipped security guard, along with his family members, thinks that the population of Rio can wait for that day of the establishment of a "popular Socialist" government in Brazil. For not only will it be just the "longest day" for the people of Rio, but it will also be the real "day of never ending goodness" for an entire population threatened by the sinister "citizen-bandits" spared by Brizola and Vivaldo.

2909

CSO: 3342/121

BACKGROUND, HABITS, TASTES OF MINAS GOVERNOR TANCREDO NEVES

Rio de Janeiro MANCHETE in Portuguese 9 Jun 84 pp 12-17

[Article by Teresa Goulart]

[Text] His hat is in the ring. Although he insists on waiting to see what happens before making a definite statement, the governor of Minas Gerais--Tancredo Neves--is the man most likely to be the opposition's single candidate in the race for the Presidency of the Republic. In direct elections preferably, but if the rules of the game are not changed, then even in the electoral college, where he would confront the government party's candidate. Tancredo is still talking about legal impediments, such as the fact that he would have to resign as governor of Minas Gerais, but his advisers give assurances that he is not going to "run away from the fight." Recent events, particularly the news that a sizable majority of the PDS [Social Democratic Party] convention delegates have declared their support for candidate Paulo Maluf, have precipitated the choice.

Last week there was a procession of politicians to Minas Gerais, with deputies and party leaders going there to hear what the governor had to say. There was even an official launching of his candidacy through the direct process by the regional chairmen of the PMDB [Brazilian Democratic Movement Party] in six northeastern states, who visited Tancredo at Mangabeiras Palace. The PMDB members presented the governor with a document--the "Declaration of Maceio"--in which they stated their desire for participation and change, recalling that the PMDB must not contribute, by its acts or omissions, to the continuation of indirect elections as a permanent principle. Tancredo also received the national chairman of the PT [Workers Party], Luiz Inacio Lula da Silva, and a meeting has now been scheduled with deputies from Sao Paulo. The only thing lacking is a meeting with Vice President Aureliano Chaves. The circle will then be complete. And the official announcement of his candidacy will be a matter of days.

Regarded as the ideal man for carrying out the country's transition to democracy, Tancredo de Almeida Neves, now 74, is the central figure in Brazilian politics. A politician by training, he has retained his influence for 34 years, both at the party level and in all of national life. He has been on the front pages of newspapers since 1950 as a man involved in events. He is a moderate with liberal convictions and secretive ways. The distinguishing feature of his

life has been political activity involving him in the most important moments of our history. In 42 years of public life, of which 20 have been spent in the opposition, Tancredo has embodied the cunning and experience of a generation of politicians which set the example for the country and which has in him one of its last and most important figures.

1. Roots

From Minas Gerais

Tancredo de Almeida Neves is the son of Francisco Paula Neves and Antonina de Almeida Neves. In Sao Joao del Rei, Minas Gerais, where he was born, he was "trained" in politics: it was there that he learned the rudiments of practice and assimilated the rules taught to him by his political sponsors. In 1953, former President Getulio Vargas heard the young orator deliver a speech and did not hesitate: he invited Tancredo to work for him.

In addition to his oratory, he eventually acquired the calm and conciliating spirit of the people who lived in that tradition-laden period. He went as far as lower secondary school in his hometown, then continued his studies in the capital, where he was trained in legal and social sciences. Like all aspiring politicians of the day, he wrote articles for local newspapers. All university graduates necessarily spent a period of time in journalism. That was how they supported themselves while preparing for public life. A cult of the past and a still somewhat mannered way of speaking recall his origins. Faithfulness to those origins explains the enigmatic side of his personality. But while faithful to the past, he is capable of change. The innovator coexists with the preserver of political and cultural values--and there is no clash between them.

Family

Little is known about his private life. He fights tooth and nail to keep it separate from his public life. He has been married to Risoleda Guimaraes Tolentino Neves for 46 years and has three children (Ines Maria, Maria do Carmo, and Tancredo Augusto) as well as eight grandchildren. Within the family, there is much talk about the lessons in life that he has always passed on to his children and grandchildren. And about the atmosphere of cordiality, understanding, and mutual tolerance that he has managed to establish. Family recollections invariably begin with the "Neves Manor"--the family home in Sao Joao del Rei--and end with an apartment in Copacabana, where Tancredo sings old lullabies to put a child to sleep. He is very fond of engaging in a "touch of chitchat" and tells stories better than anyone. His conversations are real history lessons. He is equally knowledgeable whether talking about the classics of world literature, political theory, or the technique of a basketball player. Grandfather and politician merge in his day-to-day life, revealing a person who is human in every dimension. One granddaughter says of him: "He is a living example of courage, loyalty, and serenity. Courage because he always upholds his stands before the most diverse audiences. Loyalty because he gives his full attention and respect even to his opponents. And serenity, which characterizes those who can distinguish between the limitations and boundless nature of the ghosts who

inhabit the human soul." Other traces of his character are found in his private life: the deep-rooted solidarity which links him to friends and faithfulness to his ideals.

Politics

His training was traditional. Former fellow party members emphasize his quick mind and his good humanistic culture as the result of a "Germanic training in principles." He himself provides the best description: "I am a social democrat, a reformist of Christian inspiration, and a moderate by training. A man who has always fought to bring about a broad climate of understanding, comprehension, and concord in this country." Two figures in Brazilian history have had a profound effect on him: Honório Hermeto Carneiro de Leão, Marquess of Paraná, and Bernardo Pereira de Vasconcelos. His friends say that Tancredo embodies a little of both. Both were courageous men who adopted stands frequently in opposition to their parties when the interest of the nation spoke more loudly. The Marquess of Paraná moved with notable casualness through the politics of the Regency, was head of the Cabinet of Conciliation in 1853, and was involved in reducing the dissension separating the liberals from the conservatives. Having an interest in political theory, Tancredo keeps up enthusiastically with what is written by statesmen. Recently he has been reading, analyzing, and discussing with friends the book by former French President Valéry Giscard d'Estaing, "Two out of Three." In that book, the author analyzes France's national and international situation, which, according to the governor of Minas Gerais, applies very well to Brazil. "Powers of the French type are similar to certain emerging countries in the Third World, all of which are being subjected to the IMF's requirements and forced to adopt rigid programs for combating inflation." If he had the time, Tancredo Neves would like to write about Oswaldo Aranha and Getúlio Vargas, about whom valuable information is stored in his memory.

2. Training

Law and Business

A skillful attorney, he followed that profession between 1937 and 1945 and became prosecuting attorney in São João del Rei itself, where he got his start in politics. A businessman for over 40 years, he established two textile mills and participated in the establishment of a cement plant. But he finally chose public life. He gave up business activity because of a crisis of conscience. "Either I could stay in business and face its problems, but in an atmosphere of comfort and greater security, or I could devote myself full-time to public life, because our democratic leaders were corrupt, our democratic system was in ruins, and our free institutions were threatened with being crushed. I do not regret my choice." He was also manager of the Rediscount Department of the Bank of Brazil and chairman of the BNDE (National Economic Development Bank) for a time.

Politics

A man with a notable political background, Tancredo began his career as municipal councilor and chairman of the Municipal Chamber in São João del Rei. On

being elected state deputy, he was leader of the PSD [pre-1964 Social Democratic Party] and secretary of finance in the Bias Fortes administration. In 1947, he was reporter in the Constituent Assembly. He participated in most phases of the country's political transition and was a direct witness to historic episodes. He was federal deputy and minister of justice in the second Getulio Vargas administration. In 1961, he lost the race for governor of Minas Gerais to Magalhaes Pinto of the UDN [National Democratic Union]. He says: "I was defeated by the overwhelming strength of Janio Quadros. All the gubernatorial candidates he supported were elected in all the states. It was an irresistible flood. Janio unleashed an emotional frenzy in the country with his strange and polarizing personality." Tancredo reappeared on the scene shortly thereafter as prime minister in the Goulart government during the country's brief experiment with a parliamentary form of government. He gave up that post 9 months later when he foresaw the crisis in parliamentary government. As a federal deputy in 1962, he was government leader during the critical period of the basic reforms. In 1964, he undertook to make former President Juscelino Kubitschek the civilian alternative for president of the republic. When Castelo Branco's candidacy was imposed, he voted against the latter's nomination. When the multiparty system was abolished in 1966, he joined the opposition. In 1979, he established the PP (People's Party) and was its chairman during its 2 years of existence. And he arranged its incorporation into the PMDB. In 1978, as a senator, he was the chief spokesman for the opposition. He has always advocated reconciliation and national union as the solution to the crisis.

3. Appearance

Traditional

It cannot be said that he follows the fashion. But he does show a degree of concern for appearances. Although he does not engage in sports, neither is he fond of physical exercise or long walks. It is his wife who takes care of most details and buys his clothes. On the most important occasions, he takes great care with his image. He kept up tradition even with his tailor: for many years, it was an old friend who made his suits. When the friend died, Tancredo gave in to the trend and began buying his clothes in Rio de Janeiro. Indefatigable and in good shape despite his 74 years, Tancredo still follows the old rhythm of a Minas Gerais politician: he is always willing to keep many appointments, has no strict rules as to work, and likes to be his own coordinator when it comes to his public life. One former fellow party member says: "Who is the best spokesman for Tancredo Neves if not himself?" And he is a man of firm opinions. He does not like preestablished plans, preferring to "hang loose." He is equally graceful in everything from the most luxurious drawing room to the simplest surroundings. And he likes them all.

Jovial

The secret of his vitality is still a mystery. But there are those who hazard a few guesses. For one close friend, "it can only be his lifestyle." Tancredo does not smoke, drinks very little, eats well, drinks little coffee, and hardly ever sees a doctor. He takes only cold baths, and always in the morning. He

starts the day in a good frame of mind. Much of his disposition comes from his inner life. He has never had "low" periods. He is always in a good mood. Work in particular rejuvenates him. He keeps up his energy with the day-to-day political game. His life consists of speakers' platforms, political meetings, negotiations, and elections. As an example, he likes to cite his friend Sobral Pinto, who is 90 years old. And he never tires of telling one story: one day he met his friend Pinto leaving a party and asked him if he was planning on going to bed. The jurist answered: "No, I'm going to take a bath, change clothes, and go to another party." Tancredo never misses a party, and he is a confirmed serenader, like the people in his hometown, and it is even said that he is a good singer. He never tires, and it is difficult to keep up with him. He likes to say that age is no defect. His comparison has become famous: "At the height of World War II, Great Britain was led with wisdom by the venerable Churchill. Ancient Rome, on the other hand, was set on fire by the stupidity of young Nero." There are people who point to his great self-control as the source of his youth. The self-mastery which prevents him from letting out his emotions is what gives him the proper serenity at the most serious moments. A friend recalls: "It is clearheadedness, not coldness."

4. Character

Well Balanced

Good-humored and sharp of mind, he handles irony with a master's touch but without ever passing over into sarcasm. Without changing his tone of voice, he can drive an opponent to exasperation. An adviser says that he was made to deal with major issues, which he views with a professional eye. At such times he acts with serenity because he knows he cannot lose control. He is perfectly aware of his role on difficult occasions. And he knows the limitations and intentions of others. He has never been tied to schedules, but today, as governor, he is forced to respect them. He has an ethical view of politics. An old associate recalls: "He never goes back on his word, although he rarely pledges his word. He has a feeling for political practice and possesses two characteristics which few people have: a taste for risk and a taste for starting over." He has always faced up to the worst moments with extraordinary determination. Like all people subject to risk, he is a skillful and alert politician. He is also a nonconformist. His conduct is consistent and his life above reproach. His past rules out any speculation that he has ever legislated on his own behalf. No one can induce him to make personal accusations. He habitually emerges as a human and self-controlled figure in disastrous situations. He has come through every crisis without being crushed. He has a taste for risk, but he indulges it in an organized way. Polite in his dealings, he never loses his patience.

Tenacious

His life has always been politics, in which he has spent 42 of his 74 years. He pursues his plans obstinately and shows great endurance. Courageous, he will take on even his own party if he feels that the country's interests are at stake. And he is a patient listener to anything except intrigues. He listens patiently, especially when matters of public interest are involved, but

frowns and sometimes even leaves the room if he feels that some kind of intrigue is in the air. He also likes to clarify what is nebulous. He has no patience for only one thing: minor mistakes which could have been avoided. Those instances of minor negligence annoy him more than big mistakes.

And he never becomes irritable except with himself. That is when he whispers a few words that only he can hear.

5. Intelligence

Clearheaded

It is said of him that he is the living symbol of reconciliation. A reader of political treatises, he has always drawn lessons for his public life from his reading. He has also been on familiar terms with people who had something to pass on to him. He is a living political encyclopedia. He belongs to a Minas Gerais generation that has a broad and diversified culture. Analysts say that the disappearance of outstanding natural leaders was what made him the national figure he is today. His circumspection and serenity come from years of deeply rooted experience. He has also learned to read people by looking at them. In a matter of seconds, and with a simple look at his interlocutor, he knows the type of person he is dealing with. He inherited outstanding aspects of his character from his political sponsors. It could be said of him that his political strategy is the same as that of Getulio Vargas, who was quoted by Alzira Vargas in his book "My Father and I" as saying: "I never made a friend whom I could not give up, and I never made an enemy to whom I could not draw closer." Among Brazilian politicians, he is one of those most familiar with human nature. "A fiddler with circumstances," his creativeness is also prodigious. He rarely makes enemies, since he rarely pledges his word. He is regarded as a born conciliator because of his experience with the country's problems. He is one of the few politicians capable of heading an administration with support from both the government party and the opposition. And he would also encounter no major resistance from the military.

Consistent

His credibility, firm stands, and conciliating spirit have made him an important man. When his stand, which is always aimed at understanding, has conflicted with that of his party, he has made concessions, reducing his pressure but always continuing to defend his theses. In the former MDB [Brazilian Democratic Movement], he was leader of the moderate wing. And that is how he won the contest for leadership of the Chamber of Deputies in 1978. He disagreed with the party leadership's orientation with respect to any decision he regarded as representing a political confrontation. His opinions are quite critical of the government. But he does not lack optimism. He believes in the country as a nation and even as an emerging power.

6. Lifestyle

Hectic

The governor of Minas Gerais follows a strenuous daily routine. He gets up early (usually at 6 o'clock), takes a cold bath, and has some strong coffee. He telephones Rio de Janeiro, Sao Paulo, and Brasilia every day. And before long he is at Liberdade Palace taking care of the most urgent matters with secretaries and personal associates. He then completes the day's schedule by receiving from 50 to 60 people. He does not always find time to sleep. When trips, formal ceremonies, or inaugurations are on the schedule, he sleeps only 5 hours a night. His strenuous pace surprises even his grandson and private secretary, Aecio Neves da Cunha, who cannot always keep up with him. His chief of protocol admits to having lost 10 kilograms in 1 year as an adviser to the governor.

Tancredo travels a great deal. In a single day, he may wake up in Belo Horizonte, have lunch in Brasilia, and go to bed in some town in the interior of Minas Gerais if his appointments require it. In 1 year of traveling as governor, he has covered 130,000 kilometers and visited Brasilia, Rio de Janeiro, and Sao Paulo dozens of times. To obtain an interview with him, it is sometimes necessary to wait almost 2 months. But if the matter is urgent, and especially if it has to do with politics, the governor is always available.

Centralized

Decisions are always his. He takes no notes, but keeps everything in his head. And he can cite dates and facts with details. No one in the country today has his experience and political culture. Few can equal him in his knowledge of the Portuguese language. He even writes his own speeches, although he prefers to speak extemporaneously. One friend says of him: "Tancredo has the pick when it comes to power. It is the exercise of responsibility that attracts him. His personal courage is well known. He has always moved about without bodyguards, and only now, as governor, does he use a security apparatus." His strong personality often facilitates the work of his advisers--during the publicity plans worked up for his election campaign, for example. Collaborators of his say they have never seen him surprised by any topic. "He always gives the impression of having looked into the matter 5 minutes earlier." He has vigorously rejected the few attempts to change something in his image. He has always set his own pace. And he has been very successful. There is nothing anyone can teach him about politics. There is national unanimity on that point. Even those who oppose him respect him.

7. Tastes

Artistic

Next to politics, the thing that interests him most is reading. His associates have one frustration: it is difficult to tell him anything new. He is always very well informed. He is one of the few politicians to have such broad culture. He is very familiar with world political history, has read practically all the

classics of literature, and never misses an interesting book that comes to his attention.

He prefers erudite music--a result of the education he received. His mother played the piano well, and only classical records were heard in his home. In the street, he preferred the serenades of chilly mornings in Sao Joao del Rei. He sometimes has lunch while listening to classical music, which he asks his associates to record. Since he has a unique sense of humor, he likes witty people. But he detests coarseness. He knows how to use subtlety and appreciates its use by others.

Eclectic

He is selective about what he drinks (what he really likes is a good wine), but he eats anything. His habits are simple. In a choice between backwoods chicken and urban prawns, he prefers the chicken. He pays no attention to special diets, but eats everything. He has eaten a lot of sandwiches bought in bars along the highway. He does not even have any requirements as far as sleep is concerned. While traveling during his election campaign, he unceremoniously occupied the back seat of the car. And he showed up for the meetings in fine form. The fact is that he sleeps anywhere--no one knows whether it is because of fatigue due to his hectic lifestyle. He sometimes closes his eyes in the middle of formal ceremonies, especially when the speeches drag on too long. But he is quickly aware of everything. His mind works so fast that he even surprises his interlocutors by talking very softly. He seems to be anticipating the answers. A practicing Catholic, he attends Sunday mass whenever he can. And he keeps up a tradition going back more than 30 years: during Holy Week, he carries an ancient lantern in the burial procession in Sao Joao del Rei. He is superstitious. At least that is what his friends say. And about simple things, such as not walking under a ladder. He always wears on his chest (hidden under his shirt) a crucifix he obtained from Pope John XXIII. That was in 1962, when he represented the Brazilian Government at the commemoration of the pope's 80th birthday. With that talisman, he does not seem to be afraid of anything. And he even resorts to it at difficult moments, when he raises his hand to his chest and touches the cross.

8. Ambition

Nationalist

Silence is the secret to all his ingenuity as a native of Minas Gerais. He is a liberal who is deeply concerned with social problems. He believes it is essential to find an immediate solution to those problems so as to ensure a calm future. He believes in Brazil as a nation and even as a power. He feels that the current political problems require political solutions above all else. He likes to say: "What are politicians for if not to resolve serious situations?" His charisma cannot be denied. It has happened that common people have knelt before him and kissed him as a sign of respect. He is moved by tragedy and has a great concern for human beings. To him, every person is important. He likes to remind his secretary, who never knows how to filter out the visitors, that

"every fellow has his worth." He can also be moved to tears when he hears a passage from the music he likes most.

Ethical

He moves easily in all circles. And among the politicians, it is he who knows the military best. Mentioned as the country's greatest political leader, he is regarded as the man to be relied on at a time when the path is leading toward reconciliation. Events are bringing him closer and closer to Planalto Palace. He himself has acknowledged that the strengthening of national accord will have to start in Minas Gerais.

11798

CSO: 3342/114

PCB DEMANDS REGISTRATION, CONDEMNS DISSIDENTS

Communists Insistent

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Jun 84 p 5

[Text] Inocencio Martires Coelho, electoral attorney general, will challenge the request to register the Brazilian Communist Party [PCB] in the Superior Electoral Court [TSE] if the party manifesto is published in the DIARIO DE CONGRESSO. Under no circumstances will the Public Ministry tolerate the registration initiative, the Office of the Attorney General made known yesterday, as long as Brazilian law (including the constitution) prohibits the formation and activity of a partisan association considered to be "contrary to the democratic regime" and tied to "alien interests."

The organizers of the new communist party did not even succeed in having the party manifesto published in the DIARIO OFICIAL DA UNIAO, which is the official press organ that publishes acts of the executive branch. An act of the justice minister prevented its publication. Hence, even before they seek a judicial reversal of the minister's decision, the communist leaders want to avail themselves of the possibility of getting the manifesto published in the official organ of the federal legislature.

In Article 5 and its clauses, the Organic Law of Political Parties requires that the founding manifesto, accompanied by the statutes and bylaws, must be published in the official press by the provisional national executive committee of the party applying for registration. This formality is essential to the formation and registration of parties. Once this requirement is met, the provisional committee must advise the TSE of the formation of the party, with a request for provisional registration.

In addition to challenging the communist party because of its failure to publish the founding manifesto in the official organ of the executive branch, the electoral attorney general will claim that the court already ruled on the illegality of the communist party when, by three votes to two, it nullified the registration of the party of Luiz Carlos Prestes in 1948.

No Censure

For their parts, Deputy Flavio Marcelo, president of the chamber, and the secretary general of the chair explained that the PCB documentation would not be published separately, but as an integral part of the speech by Deputy Roberto

Freire (Pernambuco) vice leader of the PMDB [Brazilian Democratic Movement Party]. The documents appended to the speech were not censored because "they are in parliamentary language." The chair explained that the inclusion of the PCB document in Freire's speech will not meet the legal requirements for the request for provisional registration by the TSE, because the law requires publication in the official press, in other words, the DIARIO OFICIAL DA UNIAO.

"Deputy Roberto Freire made a speech and asked that the document to which he referred be appended to the speech, under the rules. The request was granted," Marcelo said.

Dissidents' Expulsion Problematic

Sao Paulo FOLHA DE SAO PAULO in Portuguese 29 May 84 p 6

[Text] The disagreements between the leadership of the PCB and a group of party militants in Sao Paulo, which became public almost a year ago, have now come down to a question of semantics: Has there or has there not been an expulsion process? The most recent issue of the weekly VOZ DA UNIDADE, the unofficial spokesman for the PCB leadership, published a note in which the Sao Paulo State Committee for Registration of the Party expressed the opinion that the leaders of that group, "by their persistent aggression, defamation and attempts at division, have placed themselves outside the ranks of the communists."

In August 1983, the dissidents published a document calling the present PCB leadership illegitimate, and a month later they were relieved of their posts in the Sao Paulo leadership. They include physicians David Capistrano da Costa Filho and Ubiratan de Paulo Santos, journalist Sergio Gomes ds Silva, engineer Eloi Wersel, metalworker Newton Candido and labor leader Joao Guilherme Vargas Neto. They founded the newspaper A ESQUERDA; in issue No 7, which came out following the defeat of the Dante de Oliveira amendment, they published an article entitled "Shame," in which they called the current PCB leaders "zombies," declaring that they had made blatant errors in the assessment of the situation, that they had "behaved equivocally in the campaign for direct elections now" and hence had "openly betrayed the people."

The note published this week in VOZ DA UNIDADE was decided on during a 2-day meeting (Saturday and Sunday) of the National Committee for PCB Legality, which was attended by federal deputies Roberto Freire (Pernambuco), Alberto Goldman (Sao Paulo), Marcelo Gato (Sao Paulo) and State Deputy Antonio Resk (Sao Paulo). The note describes the dissidents as "a small splinter group in Sao Paulo" and, at the end, expresses "a disposition to maintain relations among the communists in a climate of openness, which recognizes full freedom of diverging opinions, but reflecting our essential unity of action."

Both the dissidents and the state leaders of the PCB deny that there has been any expulsion process. Referring to the self-styled National Committee for PCB Legality, engineer Elio Wersel declared: "That Central Committee is completely illegitimate; it was not born of any meeting; it is bionic and hence does not have the authority to expel us."

6362

CS0: 3342/118

CACEX HEAD ESTIMATES 1984 LOSSES FROM PROTECTIONISM

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Jun 84 p 24

[Text] Rio--Carlos Viacava, director of CACEX [Foreign Trade Department of the Bank of Brazil], estimates at \$4 billion the total foreign revenue lost to Brazil, in this year alone, because of the restrictions imposed on Brazilian products by the industrialized countries. Viacava made the statement yesterday in Rio during an interview. He further predicted that the new manifestations of U.S. protectionism, restricting the entry of Brazilian steel products, will mean a loss of \$100 million to \$150 million in 1984.

Viacava feels there is no immediate solution to the problem. "It is a struggle that other countries have already experienced," he declared, "and one that we will also have to face, until we reach some agreement."

According to the CACEX director, the trend is still toward growing restrictions by the more developed countries. "The more we increase our exports, the more barriers we will encounter."

Viacava avoided giving a pessimistic tone to the interview in which he criticized protectionism. In his opinion, the United States, which is the largest world market, is buying more and more, "and our exports have grown more than theirs. The country resumed growth last year and is growing even more rapidly this year. So, on average, we are coming out ahead, despite the restrictions."

He also made a point of saying that protectionism is ~~not~~ peculiar to the United States, because Europe and Japan abuse the practice in some sectors. "The restrictions on textiles, for example, are imposed both by the United States and Europe, which also limits shoes and sugar by means of quotas. Japan restricts the entry of beef and orange juice. Actually, the restrictions are a world-wide phenomenon today and we have to live with them."

Viacava believes that Brazilian exports could come to about \$25 billion and imports to about \$15 billion this year, creating a trade surplus of about \$10 billion.

He criticized the proposal to capitalize the interest on the foreign debt (incorporation of part of the short-term commitments into the total debt, to be paid over a longer period), because he feels it does not solve the debt problem but only adds to it. According to the CACEX general director, the only path open to Brazil to improve its debt profile, and thus its foreign position, is to amass a surplus in the trade balance. "This money which Brazil produces with its own energy, its own power, will give it the stability to assume a more suitable debt profile."

NAVAL CHIEF GIVES PRIORITY TO ELECTRONIC WARFARE TECHNOLOGY

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Jun 84 p 7

[Report on interview with Paulo de Bonoso Duarte, chief of naval operations, by H.C., in Rio de Janeiro, date not supplied]

[Text] (Rio)--The Navy already has a doctrine of electronic warfare, aimed at updating the branch for modern naval battles, Adm Paulo de Bonoso Duarte, commander of naval operations, announced in Rio during an exclusive interview with O ESTADO. He stressed that access to electronic warfare technology is a priority in entering the era of nuclear propulsion.

"This goal, which is immediate and even vital for the Navy, is already being pursued, because this is the only way we can really prepare for modern naval warfare, in which it will not only be necessary to be prepared to attack but also to avoid enemy attacks," added the most senior admiral in active service.

Bonoso noted the two basic principles of the Brazilian doctrine of electronic naval warfare: 1) to prevent the location of Brazilian warships, and 2) to neutralize the missile attacks that could be aimed at Brazilian ships or installations in the country.

According to the admiral, Brazil has already reached a desirable level in the area of electronic warfare, although "much remains to be done in this field, which calls for the training of minds, that is, the high-level specialists, financial support and continuity, if the country is to have an effective system of electronic countermeasures."

The commander of naval operations also stressed that "modern wars are not won simply with attack capability, but also with the capacity to prevent the enemy from using its equipment to attack the country itself." Hence he advocates the development of electronic naval warfare technology, "because, in this sector, those who possess the advanced technology do not pass on their knowledge, nor can we even allow any dependence on foreign materials."

According to Bonoso, the basic fact is that the Navy already has a mobilization doctrine, known as "ready force," in which a large number of battleships and part of their crew, including gunners, can be mobilized for immediate action.

Another decisive factor in Brazilian naval preparedness is the ability of the men to adapt to the new equipment. This is also highly important because of the constant development of naval technology and the continuing need to renovate the fleet.

"If increasingly sophisticated materiel is basic to the modernization of any navy, particularly the Brazilian Navy, the adequate training of men is a basic goal, because well-trained men are capable of adapting to the technical developments and, after all, this is fundamental and the "raison d'etre" of the institution itself!"

A navy strategic study notes that "modern naval warfare is tied to electronics and is being fought out in the research laboratories." Its importance is such that Admiral Gorshkov, commander of the Soviet Navy, declared: "The country which dominates the electromagnetic gamut will win the next war."

Commenting on the importance of preparing the Brazilian Navy for electronic warfare, Admiral Armando Amorim Vidigal, commander of the 3d Naval District, said: "The appearance of electronic support means (MAE), such as equipment that will enable a ship to detect the enemy without emitting sound waves and thus without risking detection by the enemy's MAE system, or apparatus to jam the enemy's radio and interfere with the equipment that guides or controls its weapons, has led to the development of electronic countermeans (CME). These include--to mention only one of many possibilities--equipment which allows the radar to 'jump' to other frequencies as soon as the frequency on which it was operating is jammed," or equipment that will cause the radar jammer to be fooled, because it will emit false echoes at the moment when it undergoes interference, thus creating a fictitious target.

In one of his studies on electronic warfare at the School of Naval Warfare, which have not yet been published, Admiral Vidigal cited the battle of the Bekas Valley, between Israel and Syria. "The tally sheet of the air battle, in which 86 Syrian planes were shot down and no Israeli planes were lost, gives a vivid and accurate idea of the impact of science and technology and of electronics on the art of war. In dramatic form, it was demonstrated that technological superiority, beyond a certain point, is decisive, making any of the other factors that could influence the outcome of the battle irrelevant."

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CSO: 3342/118

COUNTRY SECTION

BRIEFS

ARMS EXPORT RANKING--The Brazilian weapons industry is currently taking in more than \$6 billion a year, with increasingly sophisticated products that, by 1986, could make Brazil the world's third [sic] largest arms exporter, after the United States, England and France. Brazil has already sold more than 2,000 tanks, and the average growth rate of exports is 50 percent per year. If any symptom of the Brazilian crisis affected the weapons industry last year, it was only the centralization of the currency exchange in the Central Bank. Some companies had cash flow problems because the payments for their exports were held up by the bank temporarily, to facilitate payment of the interest on the country's foreign debt. The balance sheets were not affected, however, even though all the companies are investing large sums in the development of new products, in technological associations with foreign industries, in the formation of new subsidiaries and in the expansion of their facilities. Generally speaking, the profits of these companies do not fall below 40 percent. In other words, the operational profits were almost always close to half of the total expenditures. This branch of industry is currently producing over 100 items for military use, which are sold to 40 client countries. This production involves 50 different types of weapons and all the accessory equipment and material for use by personnel. The industry employs almost 100,000 workers in close to 350 companies. Earnings in the sector amount to 4 percent of the PIB [Gross Domestic Product]. [Text] [Rio de Janeiro O GLOBO in Portuguese 4 Jun 84 p 15] 6362

CS0: 3342/118

BRIEFS

NEW BUOYAGE SYSTEM--Effective 1st July, 1984, the three buoyage systems currently operated in waters of the British Virgin Islands will be changed to the pattern stipulated in the unified International Association of Lighthouse Authorities (IALA) Maritime Buoyage System "Region B," it was announced by BVI Ports Authority. "Region B" comprises North Central and Southern America, the Caribbean, Japan, Republic of Korea and The Philippines. "Region A" covers the rest of the World. Although the IALA Maritime Buoyage System operates up to five types of marks, only the type known as "Lateral Marks" will initially be used in British Virgin Islands waters. In the new system "Region B" the colours Green and Red are used by day and night to denote the Port and Starboard sides of channels respectively when approaching a harbour or channel from seaward. For "Region A" the colours are reversed. A modified lateral mark may be used at the point where a channel divides to mark the preferred channel. The changeover will take place between 1st and 30th June, 1984. Announcements will be made on ZBVI (Radio) Tortola Radio (Marine VHF) and local notices to mariners as each maritime area effects the change over. Thus the United States Virgin Islands and the British Virgin Islands will operate the IALA System "Region B." It is expected that those countries of the Caribbean that have not already changed to the new system will be doing so in the near future. [Text] [Road Town THE ISLAND SUN in English 26 May 84 pp 1, 13]

CSO: 3298/897

APRA LEADER DISCUSSES PARTY'S PROSPECTS FOR 1985 ELECTIONS

Lima CARETAS in Spanish 28 May 84 pp 28-31

[Interview with Aprista presidential candidate Alan Garcia by Alberto Bonilla, in Vitarte, in May 1984]

[Excerpts] Last Wednesday, when he reached the age of 35 required by the Constitution for candidates for the presidency of the republic, Alan Garcia visited Quinta Mercedes, the old mansion in Vitarte in which Victor Raul Haya de la Torre resided during the last 23 years of his life. The young secretary general and presidential candidate of APRA [American Revolutionary Popular Alliance], who had not visited the villa since Haya's death on 2 August 1979, when he was only a member of the constituent body, made an inspection, accompanied by CARETAS, of the work being done to convert the mansion into a museum, which will open in August of this year. It was precisely at this Quinta Mercedes that the following interview took place.

[Question] A party that has existed for 6 decades unquestionably has a past replete with experience. What don't you like about APRA's past?

[Answer] That is a terrible question, the most direct one ever posed to me. I would say, as they say about life, that everything pleases me greatly and everything displeases me slightly. The one who transcends all this is Victor Raul. If you ask me that question in emotional terms, I can tell you that Haya was like a father and a hero to me. There may have been many mistakes, but I prefer to look ahead and tell people not to consider our faults, but rather the faith of our party and the ideas of Haya de la Torre.

[Question] I ask you the question because an election campaign is approaching in which there will be a great deal of recollection of the Aprista past.

[Answer] Every historical circumstance has a thousand conditioning factors. We cannot systematically reproduce a historical circumstance. There are some who claim that the support for Manuel Prado in 1956 was a serious mistake. When viewed from a current standpoint, perhaps it was. Now we have different social situations and a higher level of political awareness. Now that circumstance can be judged critically; but in 1956 there were many Apristas in prison, and the party was experiencing a long period of persecution and

banning. A party requires democratic oxygen, although perhaps only formally, in order to become updated again and recover its cadres. I would never venture a judgment of the actions of others under the circumstances in which others lived. That is arbitrary; it is the beginning of totalitarianism. Anyone who thinks that he has a virtually divine capacity to judge history and to remake it by means of a hypothesis is a potential dictator. Let me answer by what I can accomplish under these circumstances, maintaining the party's leftist ideas.

[Question] All the circumstances appear to be favorable to APRA on this occasion. What would have to happen to prevent it from coming to power in 1985?

[Answer] Many things: a cataclysm, a coup d'etat or the insurgency of a movement (this is a hypothesis) that would better interpret our people's latent revolutionary spirit. But, in more realistic terms, the only thing that could happen to thwart 1985 is a division in APRA, its disunity, and a confrontation among Apristas, showing in a fragmented state a party which must prove itself seriously to the country; the differences among movements that would detract from its credibility among people who are seeking a life-saver in this stormy sea of crisis.

[Question] Do you think that such a threat still exists?

[Answer] I think not, because it is possible to reconcile revolutionary, leftist and nationalist ideas, with the tolerant, democratic capacity for knowing how to state them without threats. All of us in the party understand this. We know that we are not alone in the country: there are other parties and other political actors with whom we must reach understanding and hold dialog, and whom we must accept and never say that "only Aprism will save Peru."

[Question] Won't they say it again?

[Answer] I think that it will be repeated, but not in the sense that depicted us wrongfully as a pretentious, sectarian party.

[Question] Apparently, you are betting on being the winner. In the first or second balloting?

[Answer] Without being triumphalist, I think in the second. The Aprista party will arrive at the run-off election, and this should not be taken as a sign of weakness, nor should any fear be interpreted from this comment (by those who analyze it). It is simply realism, and getting rid of the pretensions that are of such little benefit to us politicians.

[Question] With what party do you think you will reach the run-off election?

[Answer] With the extreme left or with the right.

[Question] Aren't you fearful of reaching the run-off election with the right, as you call it?

[Answer] No, I am sure that the real Peru, which is not the one of the top party leaderships that can negotiate the endorsement of their votes in order to curtail the country's opportunities, will find a way of backing the best alternative.

[Question] Among the left it has been noted that, with the election of your slate, the Aprista right was victorious. What can you say about that?

[Answer] It is almost not worth the trouble to concern oneself with acrimonious opinions. Ours is a party which, although not perfect, is seeking to solve its problems in a civilized, lofty manner. I admit that there might have been some difficult problems within the party, but the desire of its rank and file has been to make use of democracy in order to continue progressing. Different opinions coexist in the party; a party is not an inflexible organization such as a barracks must be. This is how we interpret modern politics: different opinions which eventually achieve convergence through a consultation of the party's rank and file. It was by the decision of the majority that Luis Alberto Sanchez and Luis Alva Castro were elected.

[Question] Will the congressional tickets be elected in the same way as the presidential slate, or will there be a possibility of the CEN's [National Statutes Commission] including independents on them?

[Answer] My proposal to the party is that the openness to the independents is not meant merely to ask for their votes. There are progressive, intellectual personages with prestige, whose thinking coincides with nationalism, democracy and moral requirements. It would be very gratifying to me if some of those citizens were to be included in the party's tickets.

[Question] Would it be through a quota or a percentage that would be left to the CEN's discretion?

[Answer] That would have to be decided by the party's plenary session. I am sure that the comrades realize how important it is to have some personages, whose identities I do not know nor would I guess about them (laughter), who could help and contribute further votes.

[Question] During the campaign for the ticket, the undersecretary, Jorge Torres Vallejo, said that the party's structures were obsolete. What is the view of the party's secretary?

[Answer] I have no exact knowledge of those statements, which have never been confirmed. But, obviously, a party is simultaneously an organization and an ideology. As an organization, it is always subject to the danger of becoming stabilized in its positions and becoming bureaucratized. But, as an ideology,

it is always a mandate and an impetus to forge ahead. It is a constant battle between those values. Therefore, it is to be assumed that, unquestionably, some norms, procedures, or types of organization may not be the best suited to the modernness of a country with nearly 20 million inhabitants.

[Question] What have you done during your term as secretary to modernize your party?

[Answer] What I have wanted to do and propose to the party, from a leftist position, is to know how to talk to the country. The latter consists mainly of people who are not members of parties, people who vote but who do not participate with emotion or militancy. In order to talk to that 80 percent of the population, we must learn to speak outwardly and uphold the form. Hegel claimed that appearances are also a reality, that there is no distinction between form and essence, because every form stems from a single entity. Time will tell whether I am mistaken.

[Question] What do you think of the potential AP [Popular Action]-PPC [Popular Christian Party] alliance that President Belaunde has mentioned again? Do you think that it could obstruct APRA?

[Answer] I think that both parties, which agree in their conservative proposals for Peru and on the responsibility that they have had during the past 4 years (despite PPC's dissociation in the past few months), are actually just one political party. It would be very sensible, from an electoral standpoint, for them to join together in order to have a better voice. I don't know whether this desire for the presidency has also been voiced among the lower-echelon leaders of their party.

[Question] It would appear, paradoxically, that those leaders would like to make things easy for APRA. The Senate has passed a draft Electoral Law which excepts null and blank votes from the category of votes validly cast; which cuts the constitutional 50 percent to 40 percent, which their party has already attained in the polls.

[Answer] That law makes an interpretation geared to the desire of the members of the constituent body, and hence it is legitimate. As for the polls, I think that, up until now, we have been experiencing an outpouring of emotion, sympathy and new expectations. The refreshing of the Aprista proposals and the confrontation with the government have caused, one might almost say, an illusion among the citizenry regarding our proposal. That doesn't deceive me; I am an optimist, but not a triumphalist. That is why I have told my comrades to convert that emotional state into a state of awareness.

[Question] Aren't you seeking the protest vote now?

[Answer] We want to be a party and a candidacy with a proposal; we don't want to exist on the failure of others. That is the old political scheming. We want to respond with a program based on nationalist affirmation, our own effort and democracy, which does not consist merely of a demand for rights,

but also the fulfillment of obligations backed by the institutional participation of all the country's social forces in a kind of national dialog or social pact wherein the popular and national forces are combined to decide on something like a national plan, to which the political parties, including the one that I represent, can contribute their ideas, loyalties and propositions. It is a matter of finding a consensus, which will be the only way of guaranteeing that the next government will be able to provide a solution to the very serious problems that we are undergoing. In short, our desire is affirmative, and we want to win through our own effort, not through the defeat of the adversary.

[Question] Would that dialog have to take place during these months before the campaign progresses?

[Answer] Yes, because the country's problems so demand. The centralism which concentrates 80 percent of the industrial installations and manpower in the urban area, coexisting with provinces that are becoming increasingly poorer, and an agriculture that is becoming increasingly less productive, has caused the lack of a national market. In addition, the industrial effort and various non-reproductive spending have had repercussions on an enormous debt which we shall have to pay under difficult conditions and striving to improve them. The Peruvian crisis is an essential one, not an incidental result of a drop in international prices, as it was in previous decades. It is not a crisis involving a revamping of a model; it is a crisis in which the exhaustion of a type of industrial development without a market has coincided with an enormous poverty among the peasants and an international crisis that precludes the possibilities of selling abroad, cuts the prices of our traditional export products and, at the same time, increases the food imports, owing to our historical stupidity in having allowed an increasingly lower percentage of arable land per person. We are seeking a consensus, not among the rich and the foreign banks, but rather among those of us bound to the endeavor of continuing to live in Peru, and we are not incidental Peruvians.

[Question] This consensus would be in support of APRA, in the event that it comes to power. Do you consider it possible to achieve, despite the anti-Aprism?

[Answer] If a political party arrives in the next government faced with a majority combination of opposition parties in the Congress (let's take the example of APRA arriving with 40 percent in the first balloting, and reaching the executive branch in the run-off, faced with the combination of 60 percent parties of the right and the Communist left in Congress), it would be left isolated in its efforts to extricate the country from the crisis, confronted with the combination of its opponents and the social demands of the various labor sectors. For the next government to have a genuine national support, any party that wins must first be provided with a consensus among the different productive and labor sectors on what Peru's priorities are. In my view, the first priority must lie in agriculture.

[Question] But that dialog could not exclude the political parties.

[Answer] I think that we must begin with the productive sectors. I hope that the labor organizations (I have talked with the heads of many labor unions) will acquire an awareness of the very serious problems that the country is experiencing. We cannot succumb to unionism based on demands, wherein each one monopolizes everything for its own benefit. First, we must approach the union organizations, and then the political parties. I am only putting forth this proposal, and I would like it to be accepted, as some leaders have already promised me.

[Question] In this connection, will APRA support the 48-hour strike that CGTP [General Confederation of Peruvian Workers] is organizing?

[Answer] We could support the strike of the workers, not of CGTP, as occurred previously. We must now make a detailed study of what this strike represents, because it is not a matter of bringing the country to a halt, or forcing the workers with an appeal every once in awhile, either. We must look into the objective conditions from which an advantage for the workers can be accrued.

[Question] At the present time, would a 48-hour strike have any benefit for the workers?

[Answer] When a worker is called upon to engage in a 48-hour strike, he is forced to lose not only 2 days' pay, but the Sunday pay as well. I wonder whether it should not be we in the political parties who do the work, exert the pressure and make the demand to the government, in a new and more daring manner, instead of demanding further sacrifices of the workers, who already have enough problems. We should give very careful consideration to the opportunity for a protest of this type.

[Question] Does the dialog that you propose also have to be held with the AP government?

[Answer] Naturally; the government is a reality in the country and hence, despite all the conceptual differences with the government of Fernando Belaunde and his ministers, we must listen to it and be heard by it.

[Question] Don't you fear the possibility that the Marxist left might label you as currying favor?

[Answer] No, because when one has clearcut ideas and a clear conscience, he can speak without fear of being infected by notions that we regard as running counter to history. I have respect and I might even say regard for Fernando Belaunde. The occasions on which I have had to talk with him have been marked by cordiality and uprightness. I understand him in his personal environment. What we have always attacked is the economic model, a certain amount of governmental laziness and a certain amount of social insensitivity; but Mr Fernando Belaunde is the president, and will continue to be the president until 28 July 1985. Our opposition to the government is also an adhesion to the democratic system.

[Question] Nevertheless, there has been attributed to you a statement to the effect that the government may be fostering a military coup....

[Answer] Based on a fictional hypothesis, things might appear in that way. If the novelists (of whom the president is so fond) wanted to put two and two together, it might be claimed, very brazenly, that affairs are being handled so badly that they might be seeking a coup d'etat. But I think that this is merely a fictional hypothesis. I am certain that Fernando Belaunde wants to achieve what he failed to achieve during his first government: to end his term and turn over the government to whomever the people elect.

2909

CSO: 3348/452

INTERIOR MINISTER HOLDS CONFIDENTIAL MEETING WITH BUSINESSMEN

Lima OIGA in Spanish 28 May 84 pp 15-17

[Excerpts] 'A Matter of Vital Importance'

Early last week, representatives of all the economic activities (manufacturers, bankers, mining firms, insurance companies, non-traditional exporters, merchants and businessmen) received an envelope from the Ministry of Interior with the notation "personal-confidential."

Inside the envelope there was a message, signed by Luis Percovich, summoning them to a "strictly confidential" meeting in the Petro-Peru auditorium, at 1900 hours on Wednesday night.

In the text, one sentence attracted close attention, and also evoked curiosity: "The reason for the meeting is to discuss a matter of vital importance to the nation."

Starting at 1800 hours on Wednesday, an impenetrable police cordon was installed around the monumental Petro-Peru building. PIP [Peruvian Investigative Police] agents with long-range weapons, national guardsmen with short-barreled weapons and dogs and republican guardsmen with blue berets carrying special explosives detection equipment patrolled and took strategic positions. The entire operation, carried out discreetly and efficiently, scarcely attracted the attention of passersby.

At 1900 hours, the businessmen started to arrive. They came in old and new, luxurious and ordinary vehicles, alone or accompanied, wearing sports clothes or jackets and ties. But among all of them a veteran observer could have detected the same signs of anxiety, inquisitiveness and concern.

At 1930 hours, the interior minister, Luis Percovich, arrived at Petro-Peru in a limousine preceded and followed by a heavy armed police guard escorting him. The minister nimbly climbed the stairs, followed by a group of aides carrying large amounts of documentation. His entrance was so quick and quiet that not even the most seasoned reporter could have caught his plates. But this time the usual throng of photographers and newsmen was not present. Perhaps moved by the seriousness of the message that they had received, those summoned strictly complied with the request to keep the meeting a secret.

From the time of his arrival, and until 2245 hours that night, Percovich gave a detailed account of the purpose of the convocation. Using graphics, statistical charts and even video-cassettes, the minister outlined a tragic picture of the situation that the country has reached because of the terrorism unleashed during the past 4 years by Shining Path.

Confirming the first report published last week by OIGA, Percovich disclosed to his attentive listeners that there is a possibility that Shining Path may soon leave its usual area of action (incursions against communities in the central mountain area, dynamiting attacks and "white terrorism"), to adopt far more gory tactics.

The "great leap" that OIGA mentioned could be triggered at any time.

The interior minister said that the situation was "extremely serious," and that every effort is being made to stifle the subversion, prevent it from gaining greater magnitude and keep it from thwarting the general elections of 1985.

He added that the government had decided to inform the private sector of the seriousness of the situation, and to keep in regular contact with a segment that has personally suffered the onslaughts of Shining Path on more than one occasion. He explained that he wanted to alert them and give them instructions, so that they might better protect their interests, in coordination with the police forces, so as to prevent the repetition of unfortunate incidents such as the burning of Bayer, for example.

Percovich warned the businessmen that they would have to create or reinforce their own private police corps, the organization of which has been harshly criticized by the news organs linked to the extreme left, which have gone so far as to describe them as "paramilitary forces in the service of repressing the people."

He also urged the private sector to improve its cooperation with the police forces (in this connection, at the end of the meeting, someone mentioned the case of the alert center set up by the GC [National Guard], which OIGA had reported in its No 137 issue of 22 August 1983, whose services have been used very little by private enterprise; despite the fact that this center has computerized security systems which, when alerted by radio electric signals, can immediately transmit information on terrorist attacks or action to the patrolmen who are near the scene of the incidents).

At the conclusion of his remarks, the minister held a dialog with the audience, which was tense at times. There were businessmen who pointed out that subversion cannot be combated with machine guns, helicopters and soldiers alone. They claimed that it was also necessary to reactivate the economy, so as to end the hunger and unemployment, which are excellent breeding grounds for Shining Path preaching which, incredible though it may seem, is gaining followers among alienated sectors.

Percovich retorted that this is one of the government's concerns, but noted that, along with the economic and social measures, repressive action cannot be excluded. He announced that, despite all the efforts, the main military leaders of Shining Path are still free and ready for more extensive action, making it impossible to let down their guard and devote themselves solely to the socioeconomic aspect.

When the dialog ended, the minister and his advisers left first. Then, either alone or in groups, those summoned left the Petro-Peru building. Their curiosity had been satisfied, but a glance at their faces indicated beyond any doubt that the concern, rather than diminishing, had increased. Those faces seemed to be saying that the times ahead are going to be very difficult. By 2300 hours, the building was empty again, except for a few guards. The police had disappeared as discreetly as they had arrived, and the lights in Petro-Peru were turned off. The secret meeting had ended.

2909

CSO: 3348/452

COMING ELECTIONS SPARK POLITICAL ACTIVITY, ATTACKS

Criticism of Moore

Basseterre. THE DEMOCRAT in English 5 May 84 p 2

[Text] Everybody of voting age in St Kitts vividly remembers those years in the 1970's when the power-hungry Labour Government used to go around shouting "We shall not be moved" and holding mock funerals to "bury" PAM. Around that time Lee Moore, then a member of the same Labour Government, advocated introducing a One-Party State into our political system. Since Labour was in power, it meant that Lee Moore was advocating that Labour should remain in office forever as a matter of right.

Lee Moore has never denied that he advocated a One-Party State in this country. How can he? It is history. Time and time again we have reminded our readers that a One-Party State is an evil and oppressive regime, a reversal of our democratic freedom, and the most recognisable hallmark of the Iron Curtain.

Last Saturday, the Labour Spokesman Editorial written by Lee Moore insisted that "the proposition that a Government in power should not lose office is ridiculous." Lee Moore even said "it is not difficult to recognise the absurdity in the proposition that a Government in power should not lose office."

We would like to know from Lee Moore which one of his two conflicting views is a lie. For both cannot be true. It cannot be true that Lee Moore is in favour of a One-Party State and still true that he thinks a One-Party State is absurd and ridiculous. Unless he really is a Jekyll and Hyde, a hypocrite or a liar.

On the other hand, it may well be that now that Lee Moore finds himself in the political wilderness and on the verge of losing his marginal seat to Lawyer Constance Mitcham he has conveniently "forgotten" his former love affair with the idea of a One-Party State. He has certainly given the impression that he has a convenient memory.

The way that Lee Moore carried on with the White Paper on Independence in 1982, it is amazing that Lee Moore is even bothering to campaign at this time. For Lee Moore's argument against the White Paper was that under it LABOUR CANNOT WIN the next elections. So what is he going on with now? He recognised that Labour has so alienated the people of Nevis with its "bones in the rice and pepper in the soup" policy that Labour did not even contest the Local Government Elections there.

Therein lies the difference. If Labour cannot win the elections in Nevis, or indeed the elections in St Kitts, it is not because of any One-Party State. It is because Labour under Lee Moore has consistently alienated the sympathies of their supporters and TURNED OFF every section of the voting public.

When the Honourable Michael O. Powell coined the slogan NOT A DAMN SEAT FOR THEM, Labour will still have their chance. But their problem is that the odds are hopelessly against them!!!

So let Lee Moore stop his fretting and let him concentrate on preventing the move which is afoot to oust him from the leadership of Labour, the way he did Paul Southwell.

PAM Meetings

Basseterre THE DEMOCRAT in English 26 May 84 p 1

[Text] Everywhere the leaders of the People's Action Movement (PAM) appear at Public Meetings, they have attracted massive crowds which have responded to the PAM platform speakers with great enthusiasm and appreciation for what PAM is doing to bring progress and prosperity to all the people of St Kitts & Nevis.

In turn, the PAM leaders have shown confidence personified and great pride in what the PAM/NRP Government has accomplished over the past 4 years.

Led by the tireless and likeable Dr Kinney Simmonds, Prime Minister of St Kitts & Nevis and President of the People's Action Movement, eleven (11) public meetings for this month alone have been held all over St Kitts, covering every constituency, climaxed this week by a big meeting last Sunday in Cayon, where Honourable Sidney Morris is the elected representative for that Constituency and another biggie on Wednesday at Westbourne Chaut in Central Basseterre, Prime Minister Simmonds' Constituency.

All this has led the defeated Opposition Labour Party to scream that elections are just around the corner. Notwithstanding, the more public meetings held by PAM in St Kitts, the more people are shouting this message loud and clear: "Our COUNTRY NEEDS PAM NOW MORE THAN EVER."

Since February of this year, PAM has named all its eight (8) St Kitts Candidates for the next elections due by February 1985. And what a formidable team it is! The line-up is as follows:

Constituency	#1	Hon Michael O. Powell
"	#2	Hon Dr Kenney Simmonds
"	#3	Mr Irwin Sweeney
"	#4	Lawyer Constance Mitcham
	#5	Mr Hugh Heyliger
	#6	Mr Roosevelt Caines
	#7	Mr Roy Jones
	#8	Hon Sidney Morris

In comparison, the defeated Opposition Labour Party amidst rumours of conflicts and confusion in their camp, has consistently proved unable to name their candidates for the upcoming elections and appears to be having no ends of trouble deciding who they will run as candidates and where.

New Labour Party Complaint

Basseterre THE LABOUR SPOKESMAN in English 26 May 84 p 1

[Text]

Yesterday afternoon, once again, the Labour Party found it necessary to write to the Electoral Commission protesting against certain decisions and actions of the Supervisor of Elections, Mr. Eugene Petty.

Mr. Petty is also the Permanent Secretary to Michael Powell, one of the PAM candidates in the upcoming general elections.

The Labour Party's complaint is as follows:

(1) The Monthly List of Voters for April 1984 was posted up on Tuesday 15 May.

(2) The closing date for making claims and objections in respect of that list was Thursday 24 May.

(3) Regulations 19 and 20 of the Election Regulations say that, not later than 5 days after Thursday 24 May, the Registration Officers must post up lists of the claims and objections. These lists must stay up for 5 days

(4) Regulation 21 says that persons have up to 10 days, after the lists of claims is posted up, to make objections to the claimants.

(5) Regulation 22 reads:

"CONSIDERATION OF CLAIMS AND OBJECTIONS.

(1) The Registration Officer shall consider all claims and objections of which notice has been given to him in accordance with these Regulations and for that purpose shall give at least 5 days notice in writing, of which there is evidence that it has been received by the addressee, or notice by registered post, to the claimants or objections and the persons in respect of whose registration or claims notice of objection has been given, of the time and place at which the claims or objections will be considered by him"

(6) Up to late yesterday (Friday 25) no lists of claims and objections had been posted and no notices had been received by any claimants, objectors or persons objected to.

(7) In spite of that, and in spite of the provisions of Regulation 22 which requires 5 days notice in writing, the Supervisor of Elections and the Registration Officers have set Monday 28 May as the date for the hearing of objections.

Hon. J.N. France, Secretary of the Labour Party, brought this matter to the attention of the Supervisor of Elections yesterday, but the Supervisor refused to change the date.

The Labour Party has written to the Electoral Commission requesting that the hearing of objections be adjourned from Monday 28 May to give time for the hearing to take place, with proper notice, according to law.

As a matter of record, the Labour Party has recently had to report the Supervisor of Elections and the Registration Officers to the Electoral Commission for:-

(a) refusing to allow Labour Party agents to see the revised Register of Voters;

(b) Registration Officers registering voters in their homes and at secret times and places;

(c) ignoring the Regulations which state that persons objected to must appear in person and

(d) ignoring the Regulations which state that, if persons do not live in a constituency their names must not be on the list of voters for that constituency.

In each case the complaints of the Labour Party have been found to have merit.

Voter Registration Extension

Basseterre THE LABOUR SPOKESMAN in English 30 May 84 p 1

[Text] Last Friday (25 May), the Secretary of the Labour Party, Hon Joseph N. France, C.B.E. wrote to the Chairman of the Electoral Commission, Mr C.F. Henville, O.B.E., complaining that the Supervisor of Elections had given too little time for the hearing of the objections to certain names on the Monthly List of Voters for April, 1984.

Mr France wrote, among other things, "The Labour Party considers that the holding of the hearings of objections on Monday 28 May would be in breach of the electoral laws, in particular Regulations 20, 21 & 22.

"We therefore request that the Commission instructs the Supervisor of Elections and the Registration Officers to adjourn the hearings of objections to names on the Monthly List for April 1984 from Monday 28 May to a date which is in keeping with the above mentioned Regulations.

"We request the urgent assistance of the Commission. In the circumstances we look forward to a reply by Saturday 26 May 1984."

Saturday afternoon, 26 May, Mr France received a reply from the Electoral Commission in which the Commission pointed out that the National Assembly Elections Act stated that the Revised Monthly List for April 1984 must be published not later than the last day of May 1984, i.e. Thursday 31 May.

Mr Henville's reply continued: "The Commission has instructed the Supervisor of Elections to inform the Registration Officers that they should extend the period for hearing claims and objections from Monday 28 May to Wednesday 30 May 1984."

The Electoral Commission is comprised of Mr C.F. Henville, O.B.E., (Chairman), Sir Maurice Davis, O.B.E., and Mrs Celia Lindo-Butler.

Government Electoral Maneuvers

Basseterre THE LABOUR SPOKESMAN in English 30 May 84 p 2

[Editorial]

[Text] The NRP/PAM coalition government in St Kitts is using every device imaginable to subvert the electoral process in the island.

The St Kitts electorate expects the dissolution of the National Assembly any day now to clear the way for general elections.

The coalition government's dismal record of victimisation and repression has made the coalition parties very unpopular with the suffering population of St Kitts.

The dilemma of the coalition parties has been made worse by the disastrous failure of the government's short-sighted economic and financial policies which has exposed its crass incompetence and glaring inefficiency.

More than that, the government's morbid practice of mis-information and lying has caused the coalition parties to lose all credibility.

The People's Action Movement, (PAM) the St Kitts faction in the coalition, now finds itself in the situation where it is neither believed nor trusted by the St Kitts electorate.

Realising that it would be rejected at the polls by the electorate which it has oppressed and harassed, PAM has resorted to trickery and cheating in the preparation of the Register of Voters in order to give itself an opportunity to commit fraud on election day.

The Opposition Labour Party has been keeping up a vigilance against the electoral trickery, cheating and fraud by the government over the past months. Labour has been watching for corrupt practices and exposing them to the general public.

Labour has been bringing the electoral irregularities and malpractices of the government to the attention of the Electoral Commission. Labour is in a position to take a number of glaring cases to court and make public examples of some persons who have allowed themselves to be used by the government and its agents to commit registration offences.

Labour will keep a very close watch on these persons, and will look out for any others who might be tempted or paid to go further and commit election offences on election day by voting more than once, or voting fraudulently in the names of other persons or non-existent persons.

The government has been seeking to pad the list of voters with non-existent and fictitious persons, multiple registration of real persons, and persons who were registered improperly by others in their absence.

At the same time the government has also been seeking to remove some persons who do not support it from the list of voters.

On the other hand the Labour Party has been fighting to ensure that every person who is entitled to be registered and to vote gets on the list of voters and remains there.

Labour is also urging that the list of voters should not contain non-existent and fictitious persons, and that the same person should not be allowed to register more than once, since such will facilitate fraud on election day.

The Labour Party has been exerting every effort to make certain that every eligible person can exercise his or her franchise while at the same time the opportunities for the government to use the list of voters for fraud on election day are minimised.

Simmonds Radio, TV Address

Basseterre THE DEMOCRAT in English 2 Jun 84 p 12

[Text]

Fellow Citizens, Good Evening. I welcome the opportunity to address you over ZIZ Radio and Television which is owned and operated by the Government of St. Kitts and Nevis.

On February 19, 1980, the Mantle of Leadership fell on my shoulders. With the able assistance of my colleagues, I have endeavoured to carry that Mantle with Dignity, Sobriety, Creativity, Humility, Compassion, Commitment and Dedication.

My Cabinet colleagues and I have totally dedicated ourselves to the task of bringing a better quality of life to every one of our people. We believe that we have succeeded in great measure. There are obviously things that we have not accomplished - to quote the words of the Honourable and Venerable Joseph N. France, spoken in the National Assembly "No Government can do everything it promised to do". It is safe to say, however, that the things we have done, have had such a favourable impact on the lives of each and every one of you as to make any omissions of ours pale into insignificance.

Every category of individual has had an opportunity to benefit from my Administration.

Sugar Workers benefitted from a wage increase in the early days of this first term of office. They also received the largest "Goat Water" Bonus ever paid in the history of this country, and more recently received their Goat Water as a result of my International Diplomacy resulting from Independence.

These same Sugar Workers received welcome relief from the ravages of the Dull Season when we introduced, for the first time, a Dull Season Bonus.

My Government has nurtured and subsidised this Industry so as to preserve the jobs of the Sugar Workers of the country in spite of the severe depression affecting sugar world-wide.

Civil Servants and employers in the private sector alike benefitted from the abolition of Personal Income Tax which provided them with more money to save and more to spend. As a result there has been a boom in new home construction with the resultant increase in employment in this sector.

The dramatic increase in local savings, some ninety-one million dollars (\$91,000,000.00) over the last 4 years can now provide the economic fuel for a surge forward of development in small business, industry, farming, fishing and tourism related fields.

The civil servant has also benefitted from a substantial wage increase in 1981 in the range of 40-50% and can now look forward to a wage increase in the very near future.

The person depending on remittances from abroad was not forgotten. This person benefitted from Government's removal of tax on money coming into the country, and from the removal of duty from gift packages of food.

The fisherman and the farmer benefitted from my Government's programme of assistance to fishermen and farmers through the Ministry of Agriculture and the Development Bank. Our present feeder-road programme has opened up the land for the small farmers and made their lands more accessible.

Domestic workers and shop assistants were the beneficiaries of Government's minimum Wage Legislation.

Members of the Social Security Scheme received significantly increased benefits including sickness, maternity, death, and survivors benefits.

Even the unemployed experienced a revival of hope. Over 700 of them received employment on the Industrial Site alone between 1980-1983 as my Government brought 8 new industries into the country and facilitated the expansion of some existing ones. Government is currently seeking to implement the recommendations of the pre-feasibility study on a Textile Industry for this country done by the Caribbean Basin Corporation of Washington D.C. Such an Industry when fully established would employ 2,400 persons.

We have made unprecedented progress in tourism, thus creating more jobs in this vital Industry. We had the foresight and the know-how to convert our airport into a Jet Airport and an International Gateway. This coupled with a vigorous promotion programme led to the construction of an additional 150 hotel rooms over the past 4 years. The last tourist season was the best ever with 100% occupancy for most of the season.

Our cruise ship calls, with its attendant benefits, have increased from 6 per year to 50 this year.

In education, we have laid the foundation for a solid programme from pre-school through to adulthood, as we implemented our Day Care Centre Programme, carried out school renovation, addition, and construction. We improved school curricula making them more relevant to our needs as a young developing nation. We implemented our school-feeding programme in 8 schools with an increase in school attendance as a result.

To all this has been added an unprecedented level of training in the public service and private sector to prepare our people for the task of nation-building.

We did not forget the little man and his needs, as we paved alleyways, lit dark areas, provided electricity and water in areas that did not have before, and provided so far 100 Low Income Houses with a promise of 500 more to come

So important have we considered the youth of our community that a special broadcast was recently devoted to them. We reduced the voting age and the age of majority to 18. We actively established lines of communication with the youth through fora like the first-ever Youth Congress. More recently we have embarked on a Comprehensive Programme of playing-field development throughout the country, and have secured the services of a Brazilian Soccer and Basketball Coach from the O.A.S.

This brief summary has, I believe substantiated the claim that EVERY CATEGORY OF PERSON HAS HAD THE OPPORTUNITY TO BENEFIT FROM MY GOVERNMENT.

As impressive as our achievements of the past 4 years may be, I believe that the most significant achievement has been the bursting of the bonds of colonialism and our emergence into the fresh free air of nationhood. Independence, with the cherished symbols of our Anthem and our Flag, has made every citizen of this country able to stride forth with pride. It has propelled us onto the world stage and into the United Nations, the Commonwealth, the O.A.S., the World Bank, the I.M.F. and other International Organisations. We have already started to derive benefits from these memberships.

However, there are attendant responsibilities and obligations: First our Cabinet is a small one and now that there are added international responsibilities, I believe it is necessary for me to ask the people of this country to elect other colleagues to assist us in better serving your needs.

Second, I feel that it is only right that all areas of the country should be given the opportunity to be represented in the Cabinet, they having seen the quality of representation given by the present members.

Third, now that we have brought the country to this level of progress in the past 4 years, it is poised for a great development thrust in every area of endeavour. The maintenance and carrying forward of that thrust requires the undivided effort of all of us, and this can better be

achieved if we can put the inevitable divisiveness of partisan politics behind us and gird ourselves to the task as one people united in purpose and in endeavour.

In keeping therefore, with our cherished democratic tradition, in this the final year of my first term of office, I am presenting myself and my devoted team of colleagues to you to seek a mandate of approval for the solid foundation of progress that we have made and second, to carry out our comprehensive programme of investment generation, job creation, community development and people development which we are poised to more fully implement.

I have accordingly advised His Excellency the Governor General to dissolve the National Assembly as from today 1st June, 1984 and to issue writs for General Election in the Nation of St. Kitts and Nevis.

The day set for Nomination of Candidates will be TUESDAY, 12TH JUNE, 1984 and IF NECESSARY, the day of Election will be THURSDAY, 21ST JUNE, 1984.

I INVITE EACH AND EVERYONE OF YOU TO FACE THE ELECTIONS SERIOUSLY, SOBERLY AND WITH MATURITY. KEEP THE PEACE AND STAY OUT OF TROUBLE. When it is over, let us be able to submerge our partisan differences and lend our combined energies to the task of building our beloved nation for the benefit of every man, woman and child.

Fellow Citizens, I THANK YOU FOR THE OPPORTUNITY TO SERVE YOU UP TO THIS TIME, AND I EXPRESS TO YOU WILLINGNESS TO SERVE AGAIN WITH EVEN GREATER VIGOUR, AND SKILL BORN OF EXPERIENCE.

God Bless You as you seek to exercise your Sacred Trust as Citizens of this Country. Good Night.

CSO: 3298/899

SIMMONDS INTERVIEWED ON DOMESTIC POLITICS, TIES WITH TRINIDAD

Port-of-Spain SUNDAY EXPRESS in English 20 May 84 pp 14, 27

[Text]

ST KITTS-NEVIS Prime Minister Dr Kennedy Simmonds told the *Sunday Express* in a recent interview that abolishing personal income tax was perhaps the best thing his government had done since coming to power in 1980.

In the interview, reproduced below, Dr Simmonds also says he is optimistic about Caricom and feels that regional leaders will overcome the problems which now plague the organisation.

Q. Prime Minister, as the most recent of the Prime Ministers in the Caribbean, you will understand that our readers in Trinidad and Tobago are not familiar with you as a personality. How did you get into politics?

A. Partly by accident. As a student I was always interested in politics and being opinionated, without ever seeing myself as a politician. I was not the sort of person who would say, no, I won't be in politics. But it started really when I took part in a demonstration here, against increased electricity tariffs — just as demonstrator, because I had supported the issue.

And then later on, the people who had led that decided to try and form a group, a permanent party, and I went along to the meeting, more or less to see what it was about, stood in the back of the room out of the reach of everybody, and found myself drafted to serve on an interim committee. And as so often happens, it was a case of people saying, well, there is a chap who always has an opinion about something, is always willing to criticise something, let's make him put his money where his mouth is.

Q. Were you surprised when your party won the election in 1980?

A. No, in fact I had expected to win at least one more seat.

Q. Today, your party carries five of the nine seats. Is that correct?

A. The *Coalition* carries five of the nine seats. My party has three and the Reformation Party has two.

Q. Any special problems within the Coalition?

A. Not really, I think the Coalition has worked extremely well. Within coalitions it is expected that there will be differences because one is dealing with two different parties who may not necessarily have in the first place formulated the same approaches and the same concepts, but from the very beginning we have adopted an approach of sitting down together and trying to sort things out and having dialogue.

And I think we have gone along extremely well, and we have been able to in fact unify our policies and move along together.

Q. As you move to gear for the next election. Do you expect to go forward on the same basis of a unified front with the Coalition?

A. Yes, in one sense. But let me explain that qualified yes. We have two different parties and the Nevis Reformation Party contests only in Nevis. My party, the People's National Movement, contests only in St Kitts, so that for the purposes of an election, of course, we concentrate on St Kitts and they concentrate on Nevis.

But my approach certainly is to try and keep the whole federal concept together and I would certainly intend, whatever the outcome, to maintain a very close working relationship with the Nevis Reformation Party.

Q. I have heard it said that you are private sector-oriented. What do you interpret that to mean?

A. It means different things to different people. I am private sector-oriented and I will accept it. But what I mean by that is that I believe that the country can be best developed if we are somehow able to generate all the effort and energies of the people as a whole. That is the private sector. The people are the private sector. Government cannot provide all of the jobs, and the traditional private sector cannot provide all of the jobs either. We cannot all be employees. There must be entrepreneurs.

There must be people who are willing to go out there and set up on their own. Now I want to encourage those people, the fisherman, the farmer, the Rastafarian craftsman, the furniture maker, the woman who sews children's clothes and decides to sell children's clothes for a living. I believe we have got to generate or galvanise the efforts of all of these people and help them to provide employment for themselves and also bring them into employment-generation for other people.

Q. What has been your experience since the removal of personal income tax for the people of St Kitts?

A. I think it is perhaps the best thing we ever did. What we wanted to happen was that we would permit people to have more money so that they could do things, save more and spend more, build homes, buy the things they wanted and also set up little businesses to generate employment. This was the concept we had in mind and we think we have been successful to some extent.

The (rate of) construction in the country has increased significantly since the abolition of personal income tax. Whereas in 1980, for example, before we became the Government (we were only the government for part of 1980), there were only the 61 renovations; whereas by 1981 there were 61 applications for new buildings alone.

In 1982 this had risen to 116 applications for new buildings and 118 in 1983: a steady increase in building applications, so that people are out there building, and that means work for people in the construction field. Bank deposits have gone up significantly. Again, bank deposits between 1980 when we came to Government and February 1984, have more than doubled, going from \$83,000,000 in February 1980 to \$167,000,000 in February of '84.

Q. What of the other side? There must be some political embarrassment as a result of being identified with the private sector. How serious has that been?

A. Well, the Opposition tries to say that "he's into big business." Sometimes it is perceived by the Opposition as a disadvantage, but I think I have made my position very clear on this, and I think the public perceives that that is not the case. I am supportive of business — large business, medium business and small business — because business is what keeps the economy moving.

Business generates income, generates employment; it generates revenue for the government, and I am just as supportive of the small man trying to get his feet on the ground, get set-up in business, as I am of the big business place which, after all, is employing people in the country.

Q. Is yours a philosophy based purely on the circumstances of St Kitts, or do you believe generally that, in the context of today's Caribbean, the reduction of income tax, or removing the constraint which is there on the man who has to pay a significant portion of his income by way of tax is a deterrent to his personal development?

A. I would hesitate to pontificate for the rest of the Caribbean, in the sense that I have not studied the situation in the various countries of the Caribbean. What we have done, I believe, is relevant to St Kitts and Nevis and is based on the circumstances here, within our country, and I would be very hesitant to try to transpose this wholesale into any other country.

Q. I gather you now allow people to hold foreign accounts. What has been your experience with this? Has this caused any significant movement of money out of the country?

A. No. In fact the banks tell me that there has been a steady growth in deposits and they are giving between nine and 9.5 per cent

on fixed deposits for one year on U.S. currency. We faced the situation here where U.S. currency was not getting into the banking system. People were hoarding it, sending it out in clandestine forms to purchase what they wanted, sending it out in clandestine forms to bank it abroad and we were satisfied that it was not getting into the banking system.

So we decided to take the bold step of saying to those people who were hiding and hoarding, "Look, bring your money out into the open, put it into the bank, get some interest and let it become a part of the banking system. The Government is not going to interfere with it, we are not going to trouble it; we feel that if it is part of the banking system, then everybody will get some benefit from it, including you yourself."

Q. Do you see this as being a possible opening for people in other parts of the Caribbean who may bring their money into St Kitts, then later move it out of the Caribbean. Supposing somebody in Barbados or Trinidad wanted to get money to, say Canada or America, might this be a way open to them to beat the system?

A. No, because there are certain constraints on moving money out. Of course bona fide businessmen providing invoices for goods can get U.S. currency from the banks to pay for goods. There are financial regulations, there are certain rules within these regulations; for example, if there is evidence of bona fide medical treatment, the banks are authorised to go right ahead and allow money to go out; for students abroad, and so on.

The banks are expected to monitor the movement of currency in the same way, to ensure that money that is going abroad is going for legitimate reasons, and once the money is going for legitimate reasons, then there is really no problem. The monitoring system is in place, and if this kind of thing started to happen we would be in a position to detect it and to deal with it early.

Q. Do you think that the Grenada crisis and its aftermath have had an adverse effect on the relationships between Caribbean governments?

A. I think in the early stages some relationships did become strained. Obviously relationships within the OECS have become stronger as a result. I think adversely does

sometimes strengthen relationships and this, I think, has been the case in the OECS territories. With some of the other countries there has been a bit of a straining of relationships, but I do not see it as a permanent thing.

There were obviously a difference in concept, a difference in approach and this is natural. This does happen, and we have got to live with different approaches, and I do not believe that this straining of relationships will be permanent.

Q. Were you surprised and/or disappointed over the position of the Trinidad and Tobago Government on Grenada?

A. Yes. I was a bit disappointed. Not surprised, because from my reading of the situation, I rather expected that approach from the Trinidad Government. There was discussion on the Grenada situation in Trinidad, at the Caricom meeting.

Q. Do you subscribe to the view that Trinidad did not know that this invasion was taking place, or about to take place?

A. I cannot say for sure whether Trinidad knew or not, because I am not aware that anyone said to Trinidad, "Look, there will be an intervention in Grenada." The issue of an intervention was discussed, and points of view with respect to the intervention were put forward.

Q. In the presence of Trinidad and Tobago?

A. In the presence of Trinidad and Tobago. And TT expressed their point of view about any possible intervention. This is why I say that their position does not surprise me, because I knew that TT was not in favour of an intervention.

Q. Has this left any bitterness, in your view, on the part of the people of your country towards Trinidadians?

A. Absolutely not. Absolutely not at all. I have not detected it in the community outside. Certainly not as far as I am concerned. As I said, there was a clear difference of opinion and we have to learn to respect differences of opinion.

Q. In terms of the forthcoming Heads of Government conference, there are some very difficult issues which remain to be resolved. How optimistic are you that this conference will be successful or that it will take place at all?

A. Well, I am hoping that it will take place. The indicators up to now are that it will. I think the success of that conference, particularly in respect of intra-regional trade, can be pinned to a large extent on how much groundwork is done before that conference.

In my remarks at the meeting of the Caribbean Association of Industry and Commerce I made the point that you must first develop within the private sector with free intra-regional trade, because the governments are to a large extent guided by the needs of the various private sectors and I feel that in the period between now and that meeting, if there can be enough groundwork among the private sectors, then between the private sectors and the various governments, a proper formula for combatting this impasse in the intra-regional trade can be worked out.

Q. Where do you think the real problem lies, in terms of resolving what appears to be an intractable issue? Where do you think the fault really lies?

A. Like in a marriage between man and woman, sometimes there is very little to be gained in trying to apportion fault or blame one way or the other. There are certain very important factors. One, of course, is that the main market for Caricom goods is Trinidad and Tobago, and the TT market carries the brunt of the Caricom trade. That is an important factor, so that any reaction in TT has perhaps further reaching effects than anywhere else.

On the other hand, there is the allegation and the complaint that in the lesser developed countries, in the smaller territories, we are not as stringent on putting in place restrictions on non-Caricom goods and so, therefore, that is an area where we are at fault again. With respect to TT again, I somehow sense that there is great agitation within the private sector of TT for a greater measure of protection.

The question is, really, does that greater measure of protection lie in measures to exclude Caricom goods, or must some mechanisms be worked out whereby, together within the region, we can come up with a common formula for freeing the intra-regional trade and together imposing common restrictions on goods from outside the region.

So there are parameters which affect various countries, there are various aspects of this problem and I do not think that apportioning blame will get us anywhere. I think that we have got to be able to look at the problem from all sides and somehow compromise on the various issues.

Q. A moment ago you said you thought the success of Caricom and the Heads of Government Meetings would depend upon the amount of preliminary work that can be done. Have you seen any evidence that such work is being done?

A. Yes. I think that there is a certain amount of work being done, particularly in the private sector. In fact, in private dis-

cussions at table during the CAIC luncheon. I understood that there had been meetings between the TT private sector and those of Jamaica and Barbados, and that some issues had been aired. They are not resolutions, but I believe that if some other problems can be resolved and alleviated at that level, then it makes it so much easier for the governments to come to conclusion.

Q. But I meant at the government level. Is there any effort being made to diffuse the issues in advance of the meeting?

A. I think so. Perhaps not enough effort. Perhaps more should be made. But there have been meetings, I think, between various ministers of government in Barbados, Jamaica and TT. We ourselves have been in communication with TT on some of the issues that affect us directly, and there is communication, and there is an effort being made to solve, to come to grips with the problem. I think, before the conference, there should be an increasing of that effort.

CSO: 3298/898

INTERVIEW WITH LABOUR PARTY CANDIDATE RIBEIRO

Bridgetown SUNDAY SUN in English 13 May 84 p 11

[Interview with Anthony Ribeiro, Labour Party candidate for prime minister in forthcoming general election, by North American editor Tony Best; date and place not specified]

[Text]

Q: You are taking on the Prime Minister of your country in the next election and you are doing so against a background that seldom do prime ministers lose their seats. Do you think you have a handicap in that respect?

A: No. Quite frankly I do not think so. I believe it was a very marginal seat in 1980. I was new to politics and the present prime minister was in elections three times before. He had complained that for 15 years he had been knocking on the door. I had been a civil servant all my life and I went into politics fresh from the civil service. Added to that, I went into politics at a time when the St. Kitts Labour Party was experiencing quite a lot of problems but yet a new man like me was able to come close to winning. Indeed, Dr. Simmonds barely scraped through.

Q: That was almost five years ago. Surely, the Prime Minister has consolidated his position since 1980?

A: I do not think that his position has ever been safe and I really don't believe that being prime minister is going to make a difference. It is not going to assist him in maintaining his seat at all. I think his seat is just as shaky as anybody else's.

Indeed, it is far more shaky because in my view he hasn't delivered the goods. Moreover, quite a lot of the blame for how this country has gone must be laid at his doorstep. After all, he is the prime minister. So in one way and going back to your first question, being prime minister maybe a handicap to Dr. Simmonds and not to me.

Q: When your campaign moves into high gear, how are you going to try to convince the people of Central Basseterre that they must vote for you instead of Dr. Simmonds?

A: First, we know that the government have been very corrupt. We feel that their practices cannot stand the light of day in the general way in which governmental activities are carried out.

In addition, we feel they have tended to sell out the country to foreigners. Ours is a small country and we recognise that there is a need for foreign investment and expertise but there is a limit to which things should go. They have gone past the limit and in the process have done some injustice to local entrepreneurs by selling out the country to foreigners.

CORRUPTION

Q: Corruption is a charge which is always levelled at governments in the Caribbean by opposition parties but when the time comes to put up the evidence, the charges are often without merit. Can you back up your allegations?

A: There are government ministers in St. Kitts-Nevis who obviously have indulged in activities in which their ministerial position was used for their own personal benefit. A lot of them have become very rich. For instance, we have a minister who is responsible for a particular industry and yet he has a financial interest in business operations connected with the industry. That is only one example. We have documented several cases of corruption and have asked questions but we can't get any answers.

Q: You are going against the prime minister. Do you believe quite a lot of attention and effort will be focused on the campaign in Central Basseterre?

A: I don't think so, although I must add that some people are going to see the situation as one in which they must preserve their position at all costs. They know that they can only

preserve their position if the government is returned to office. The hard fact is, though, that preserving one man will not help them.

This present government holds office because of a coalition consisting of two seats in the House of Assembly from Nevis and three from St. Kitts. In the next elections there will be three seats in Nevis and an additional seat in St. Kitts and the government is hoping that with the three seats in Nevis and three in St. Kitts, it would be returned to office.

But the need to rely on the seats from Nevis is a great weakness for the government because it is unable to maintain genuine balance in the society between St. Kitts and Nevis. In other words, just to maintain power the interest of the people of St. Kitts has been subjugated to the need for the People's Action Movement to stay in power.

This is going to be a very great issue in the next election. We feel very strongly that St. Kitts does not have equal sharing in the coalition.

NO PROBLEM

Q: One of the issues that is bound to come up is the fact that you have spent the past four years working in Antigua. Indeed, although you are running, you are still not back in St. Kitts. How are you going to answer that?

A: I have no problem as far as that is concerned. I had to seek employment because I have a family to support. No employment was available to me in St. Kitts because I belong to the opposition party. Moreover, an evaluation was done of my performance in my current position in Antigua and it was shown that I had performed exceedingly well. I can point to the fact that not only did I have to leave St. Kitts to survive but I did well in running a regional organisation.

But my performance aside, I have been able to work alongside other regional organisations in the Caribbean including CARICOM, the Pan American Health Organisation,

and the University of the West Indies, thus maintaining my own status with those organisations as a Caribbean expert in my own right. I have been able to raise with them the issues which affect the whole Caribbean and therefore to keep the needs of St. Kitts always in mind. Indeed, I think my experience in the past four years has made me a stronger candidate.

Q: In an interview recently, the prime minister charged that your party was using the issue of Nevis as a propaganda tool. He said you were distorting the issue. Obviously, you don't agree but what are you feeling about the arrangement with Nevis?

A: My own position is that I have no quarrel at all with Nevis. I would like to see St. Kitts having an equal standing within the state. By that I mean it would have its own government in much the same way that Nevis has its own government.

Q: Your opponent in the next election, the prime minister, is a well-known doctor in St. Kitts. He helped to establish and has led his own party for a number of years and he has had experience in running the country at the political level. You have done none of those things. How are you going to present yourself to the voters as the alternative to Dr. Simmonds?

A: My background is different from his but I have a record of public service in this country which would stand me in good stead in the election.

I have worked all my life either as a teacher or as an administrator in the public service. I have been headmaster of one of the leading grammar schools in the Caribbean, the St. Kitts Grammar School. After that I worked as permanent secretary in the Ministry of Education, Health and Social Affairs.

Throughout my career I have been involved in one regional organisation or another in which I have ended up putting St. Kitts on the map, so to speak. For instance, I used to be the deputy chairman of the Caribbean Examinations Council and as a consequence I

used to be chairman of the Administrative and Finance Committee of the council.

I have also been involved at the invitation of PAHO, in regional matters relating to health.

In essence, I have not only been working as an administrator in education and health but I am considered in the region as someone who has something to offer. Coupled with my experience in health and education is my interest in youth development. In the past I have prepared several papers for regional and national audiences dealing with youth affairs.

Q: You lost the last election by a small margin of votes. Why do you think the election this time around is going to be any different?

A: Dr. Simmonds and his coalition government will have to run on their record of non-performance. In 1980, they appealed to the voters to give them the chance to run the country. The electorate did that. One only has to look around the country to see how things have gone. There is a string of broken promises which the ruling party has left behind. I will be campaigning against the PAM government and against Dr. Simmonds on that basis.

Q: Is the task of running against Dr. Simmonds as easy as you make it appear?

A: Let me answer the question this way. The present government headed by Dr. Simmonds has had the opportunity to show the country what it can do and that makes it easier to tell the people and show them how its performance compares with the record of the St. Kitts Labour Party. In the last election, the people decided to give them the opportunity that they had asked for.

It is clear that the prime minister is very vulnerable. As a newcomer to politics I came very close to beating him last time. Now that he has performed so poorly since assuming office, my chances of victory have been greatly enhanced. He can no longer say that he has been kept from running the country.

SIMMONDS DISCUSSES PRIVATE, PUBLIC SECTOR COOPERATION

Basseterre THE DEMOCRAT in English 12 May 84 pp 4, 12

["Highlights" of address by Prime Minister Kennedy Simmonds to the Caribbean Association of Commerce & Industry at the Royal St Kitts Hotel on Thursday, 10 May 1984]

[Text]

It is indeed a pleasure for me to accept this opportunity to address this distinguished body of Caribbean Business and Commercial Leaders. On behalf of the Government and People of this beautiful twin-island Federation of St. Kitts and Nevis, as well as on my own behalf, I bid you a hearty welcome to our shores.

MAKING OUR GOOD BETTER

The continued growth and respectability of your outstanding regional organisation provides yet another reason for optimism about the future of our dream of regional integration. It has been said that we are all in some kind of business. Some of us are in the business of making good. Others are in the business of making trouble. And still others are in the business of making excuses. MY GOVERNMENT IS IN THE BUSINESS OF MAKING OUR GOOD BETTER FOR THE BENEFIT OF ALL OF OUR CITIZENS. Your Association exists to provide a single voice for the expression of business opinion, and to seek the welfare of your members. It also can be and should be a catalyst to private sector interaction in the development process. The public and private sectors sometimes have different perspectives, but we share the same goals: to promote the economy; to build better cities, towns and villages; to improve industrial relations; to provide more jobs; to develop new markets; and to raise educational levels in our societies. In summary, to ensure a better quality of life for everyone. It was the great 19th century architect and thinker John Ruskin who said "Government and cooperation are in all things the laws of all life".

MARRIAGE BETWEEN PUBLIC AND PRIVATE SECTOR

Here in St. Kitts and Nevis, an evaluation of our industrial development shows the success of the marriage between the public and the private sector. A few months ago, my Government presented a tax-free budget for the year 1984, our first budget following our achievement of full sovereign Independence in September last year. The thrust of that budget was on the one hand to provide relief to our citizens, but on the other hand, our policy was to aim at greater individual self-sufficiency and increased local entrepreneurship.

In my contribution to the budget debate, I was able to show from current employment figures from the Pond's Industrial Site that employment at six of the major factories there had risen significantly within the past 2 years. In addition, at least 3 companies had expanded their operations, and were about to move into additional factory shells. I was also able to point to a tremendous increase in construction projects to show the creation of actual employment through a stimulation of both the private and public sectors.

SOCIAL AND COMMUNITY DEVELOPMENT

Whereas my Government has placed great emphasis on the development of industry, agriculture and tourism as the main planks of our diversification strategy, yet we have not neglected that most important sector, social and community development. We have implemented our Day Care Centre - early childhood education programme, we have built new Primary Schools and renovated existing ones, we have begun our school feeding programme and seen school attendance rise as a result. We have embarked upon our Low-income Housing Programme with the construction of 100 houses, and in addition, we have set out to provide an extensive network of recreational facilities, including basketball and netball courts, tennis courts, new playing fields and community centres.

STRATEGIES TO SUIT OUR NEEDS

Money is required for the continuation and expansion of such programmes. While it is always useful to obtain outside assistance, we must ourselves fashion strategies to suit our own needs. But given the resources of our economy, and the level of our development as a small country, there is very little room for taxation. Indeed, taxation can be a muzzle, stifling the aspirations of our people. In the circumstances, Government must be bold and innovative, and enterprising. If the private sector can make profits through creating something useful for the public, then Government must at least examine private sector strategies, and adapt what is relevant to its perspectives.

I know that Governments do not have a history of great success in commercial enterprises. Nor does the public have any particular confidence in Government involving itself in commercial enterprises. But there IS a place for Government to promote investment and raise revenue directly. That place is in the joint venture enterprise. Not only does this ensure the cooperation of Government in the objectives of the venture, but it also gives Government a chance to steer and channel development along the path of its policy guidelines - without interfering in the day to day running of business.

168-ACRE BAYFORDS FARM

In keeping with this concept, Government has recently entered into an agreement with private investors to revitalize the lush upland 168-acre Bayfords Farm. Government is the largest single shareholder in this U.S. \$2 million joint venture - dairy project. What we have done in essence is to take a farm which brought in no revenue, but rather had to be subsidised continuously, and begun to collect a rental, and put ourselves in a position to share in the profits which the private sector fully expects to accrue. We have therefore created a source of revenue out of what was a bottomless pit of losses.

GOVERNMENT'S RADIO AND TV STATION

Government is also participating in the introduction of cable television as a joint venture project. In this case Government has secured 20% shares in the Cable TV Company in exchange for the use of its premises, facilities, and duty free concessions. In addition Government has required 20% equity to be made available to the public. THE GOVERNMENT'S RADIO AND TV STATION WHICH IS STILL THE PROPERTY OF THE GOVERNMENT AND WILL REMAIN THE PROPERTY OF THE GOVERNMENT, HAS BENEFITED FROM THE INTRODUCTION OF US\$60,000.00 WORTH OF STUDIO EQUIPMENT FROM THE U.S. BASED PARTNERS IN THE ENTERPRISE. IN FACT, THEREFORE THE STATION'S VALUE AS AN ASSET HAS BEEN INCREASED. Only the out of touch would prefer the old-fashioned stereo-typed image of "Government from the ivory tower" instead of this participatory and profitable process of Government by interaction and joint venture.

The approach should not be limited in our view to joint ventures between Government and private enterprise. We also encourage the formulation of similar partnerships between local and foreign private enterprise. The Caribbean Basin Initiative can provide the stimulus for the development of such partnerships, and Government wishes to encourage this approach to investment and trade under the CBI. In addition to his financial input, the foreign investor will bring marketing expertise and the assured markets which are so essential to commercial and industrial growth.

PROBLEMS IN INTRA-REGIONAL TRADE

Marketing is the key to industrial and commercial development. Therefore all of us must be seriously concerned about current problems in intra-regional trade which are a deterrent to the long-term development of the region. The effectiveness of CARICOM has been severely limited by protectionism, yet I see reason for hope in the vibrancy and optimism which this meeting exudes. If the private sector is willing to accept the challenge of genuine free trade within CARICOM, then it will become a reality. CARICOM will work if the private sector wants to make it work, because Governments do respond to what they perceive to be the needs of the private sector in matters of trade.

COMPREHENSIVE PROGRAMME OF TRAINING

One of the surest investments in any country is in its people and in their future. My Government has embarked in the last four years upon a Comprehensive Programme of Training at all levels, the like of which has never before been seen in this country. In this undertaking, provision has been made and successfully utilized for the participation of the private sector. My Government has organized management courses for the public service in which the private sector has been involved. For a long time now, Government has developed a pattern for the inclusion of the private sector on important statutory boards. Now this process has become reciprocal. Today, Government personnel are by invitation included in membership of training committees and economic committees set up by the private sector. We in this country, have been in the forefront of public/private sector cooperation. This is possible in large part because of the high sense of civic responsibility displayed by our local business organisations and because of the support by my Government for these organisations. Last September's Independence Celebrations could not have been the resounding success which they were without a commitment to the national well-being on the part of the private sector. This element of unity of purpose has seen the

financial sponsorship by the business community of many of the cultural and conceptual developments introduced by Government.

WHAT IS THE PRIVATE SECTOR?

It has been said that I am private sector oriented. By some it is an accusation and by others an acclamation. I can accept either approach with equanimity once there is clear understanding of what is the private sector. BIG BUSINESS AND INDUSTRY DO NOT BY THEMSELVES COMPRISE THE PRIVATE SECTOR. HOWEVER, THE LITTLE FISHERMAN WHO BRAVES THE WATERS DAILY IS ALSO THE PRIVATE SECTOR, SO GOVERNMENT HAS PROVIDED ASSISTANCE FOR HIM IN THE FORM OF LOANS FROM THE MINISTRY OF AGRICULTURE, AND THE DEVELOPMENT BANK, AND DUTY FREE CONCESSIONS ON EQUIPMENT. THE FARMER WHO EARLIER THIS YEAR SATURATED THE LOCAL MARKET WITH VEGETABLES IS ALSO THE PRIVATE SECTOR, SO GOVERNMENT HAS PROVIDED HIM WITH LAND, DUTY FREE CONCESSIONS, LOANS AND EXTENSION SERVICES. THE CITIZEN RETURNING FROM ENGLAND AND STRIKING OUT ON HIS OWN TO PROVIDE A SERVICE TO VEHICLE OWNERS, AND THE YOUNG RASTAFARIAN SKILFUL AT CRAFT, WHO MAKES SHOES FOR A LIVING. ARE ALL THE PRIVATE SECTOR. AND MY GOVERN-

MENT MADE PROVISION IN THE DEVELOPMENT BANK AND THE DEPARTMENT OF YOUTH AND COMMUNITY AFFAIRS TO ASSIST THEM WITH LOANS AND ORGANISATIONAL EXPERTISE. The progressive interaction of large, medium and small business is essential to vibrant and effective private sector development.

SUCCESS OF THE ABOLITION OF PERSONAL INCOME TAX

The Government's policy of abolishing personal income tax was designed in part to stimulate private sector development and to generate savings. It has succeeded. Construction is at an all time high as more persons are building homes.

APPLICATIONS FOR BUILDING BOARD APPROVAL:

	<u>NEW + RENOVATIONS</u>	<u>NEW BUILDINGS</u>
1979	45	-
1980	61	-
1981	153	61
1982	183	116
1983	183	118

THE INCREASE IN LOCAL SAVINGS IN THE BANKS SINCE 1980 IS PHENOMENAL AND FAR OUTSTRIPS ANYTHING SEEN BEFORE.

In November 1979, Bank Deposits by residents stood at 87 million dollars. This fell to 83 million dollars by February 1980. By December 1980 it had risen to 96.5 million dollars and at the end of February 1984 it stood at 167 million dollars. From February 1980 to February 1984 deposits by residents in our banks have more than doubled. It is now up to us in this country to put the money to good use.

The policy has been successful for us in St. Kitts and Nevis, and Government intends to maintain the abolition of personal income tax. We are convinced that the more people can do for themselves the less they expect the Government to do for them.

ESSENCE OF LEADERSHIP

The essence of leadership lies not in doing everything for everyone but in being able to galvanize the energies, the talents, and the diversity of experience of all sectors of the population into a coherent force for the advancement of all. This means participation by the one in the processes and goals of the other. We are all leaders.

I challenge you to keep organised business strong and increasingly effective. Let your objective be to stimulate and improve business conditions but remember always that this must be within the framework of building a better community.

THE WELFARE OF THE PILLARS OF BUSINESS AND INDUSTRY, THE WORKERS, MUST BE OF PARAMOUNT CONCERN TO ALL OF US. THE LABOURER IS WORTHY OF HIS HIRE, AND YOU MUST BE PREPARED TO PAY FAIR WAGES TO YOUR EMPLOYEES. However, your interest in the worker must extend beyond mere wages. You must address the whole concept of his or her total development, in creating a conducive work environment, ensuring safety on the job, providing opportunities for advancement and recreational facilities.

PROTECTION OF THE WORKER

The Government is committed to the protection of the worker and to this end has prepared a new labour code to be shortly implemented. This code provides for tenure of service, adequate redundancy and severance pay, safety on the job, and other matters of vital concern to the worker. While today we highlight the cooperation between the public and private sectors, we must in our daily activities seek to develop a rapport between the employer and the employee. This is an essential ingredient in our development of a climate conducive to investment.

CSO: 3298/900

LABOUR ACCUSED OF 'CRIMINAL CONSPIRACY' IN CANE FIRES

Basseterre THE DEMOCRAT in English 12 May 84 p 2

[Editorial]

[Text] The defeated Labour Party is stepping up its nuisance campaign of sabotage, lies, and subversion. One of the worst manifestations can be seen in their organised and criminal conspiracy to burn down large areas of sugar cane in St Kitts.

A release issued by the National Agricultural Corporation (NACO) last week-end contained an offer of a reward of \$1,000 for information leading to the arrest and conviction of any person who is in any way responsible for a senseless and destructive series of cane fires which are taking a heavy toll on the 1984 sugar crop. According to the release, nearly 600 acres of cane have been burnt unlawfully since February on 18 estates. 11,400 tons of cane have been destroyed, including 116 acres of young cane.

Those fires are politically motivated. Labour is trying to upset the smooth progress of the crop, and the high morale of the sugar workers, and fire is being used to create some kind of disturbance in the minds of our people. But more time for them! Pretty soon, fire going burn them!

Then, Labour is going around saying that the Government has sold Bayfords, and ZIZ. They are saying that hardly any new jobs have been created since 1980, and that industrial stability has disappeared.

Well! Prime Minister Simmonds made a lot of those lies look utterly ridiculous in a brilliant speech delivered to the Caribbean Association of Industry and Commerce (CAIC) on Thursday at the Royal St Kitts Hotel. Substantial extracts of this extremely well-received address are published on Pages 4 and 12 of this issue.

The Prime Minister told the distinguished body of Caribbean business and commercial leaders, representing 18 countries, that here in St Kitts and Nevis, an evaluation of our industrial development shows a success of the marriage between the public and the private sector. Dr Simmonds showed the gathering how private sector development was stimulated and local savings in banks generated as a result of the abolishing of personal income

tax by his Government. From February 1980 to February 1984 deposits by residents in local banks have more than doubled. Besides, applications for approval to construct new buildings have also more than doubled over the same period. The Prime Minister also referred to the significant rise in employment at six (6) of the major factories on the Industrial Site. Prime Minister Simmonds praised the joint venture Cable Television Project and stressed that the ZIZ Radio and TV Stations are still the property of the Government and will remain the property of the Government.

The Prime Minister ended with a stirring appeal for the welfare and development of the workers!

CSO: 3298/900

\$26-MILLION TEXTILE PLANT COULD BRING 2,400 NEW JOBS

Basseterre THE DEMOCRAT in English 26 May 84 p 1

[Text]

THE Government has received solid encouragement from a team of economic experts for its plans to establish a U.S. \$26.1 Million Garment Factory at Ponds Industrial Estate in St. Kitts.

This massive textile plant, which will require not less than 28,290 sq.m. of building space, will provide employment on a permanent year-round basis for about 2,400 persons.

Government's implementation of this enormous and ambitious industrial project will virtually wipe out unemployment in this country.

In addition the project will be a joint venture project in which Government will be a shareholder along with a giant Far Eastern Conglomerate and a United States Business Development Firm. By sharing in the profits, Government will realise revenues of approximately U.S. \$6.7 Million per year, with this Bonanza increasing by another U.S. \$1 Million after the 8th year when the loans are repaid.

The Factory would purchase 4,000 bales of cotton per month, which will in turn generate the necessary conditions which will favour a significant

expansion of the cotton industry on the island of Nevis. With this raw material, the giant facility will spin, weave, dye, cut and stitch about 90,000 dozen jeans pants for export every month to CARICOM, Latin America, the United States and Europe.

The Factory Shell alone will take up more than 300,000 sq. ft., a colossal area. (The Factory Shell occupied by Key Universal, for example, is 5,000 sq. ft.).

The projected Government revenues could eliminate the crushing public sector overdraft created by the disastrous downturn in the fortunes of the worldwide sugar industry, and fully finance the entire public investment programme and debt servicing as projected through the 80's. The feasibility study was carried out in March of this year by the highly reputable Caribbean Basin Corporation, which is based in Washington D.C.

CSO: 3298/900

BRIEFS

OIL-BUNKERING SERVICE--By Tuesday of next week, another far-sighted development project will be brought into being by the present Government of the People's Action Movement and the Nevis Reformation Party. From May 15th, operations will commence which will make it possible for large ships of the ocean going capacity to be refuelled right here in our Federation. This new service, which is carried out by means of barges, is known as "BUNKERING" of ships, and it adds a whole new range of economic possibilities to our Port facilities. Government has entered into an agreement whereby the Old Factory Pier has been leased for this purpose to a U.S. Oil Bulk Installation Company based in St Eustatius and known as STATIA TERMINALS INCORPORATED. The Honourable Richard L. Caines, Minister of State in the Ministry of Finance and Minister of CARICOM Affairs, signed a tripartite arrangement on behalf of the Government while Mr Vernon Corbin, General Manager of the St Kitts Sugar Manufacturing Corporation also signed along with Mr Edwin Ray Goodgame, Sales Director of STATIA TERMINALS. [Excerpt] [Basseterre THE DEMOCRAT in English 12 May 84 p 1]

HOUSING PROGRAM--The implementation of an islandwide housing programme is being projected by Government as part of an increased drive to provide a higher standard of living in our overcrowded towns and villages. News of a massive housing project involving 500 low-cost homes has been released following the return to St Kitts-Nevis of Prime Minister the Honourable Dr Kenney Simmonds on Wednesday at the end of a four-day mission to the United States of America. According to the release, the Prime Minister held discussions during the course of this mission with a group of investors who are assisting the Government with the implementation of this programme. The construction of the planned 500 houses will be an adjunct to the 100 low-cost dwellings already built by this Government at East Basseterre, Cayon, Challengers, Conaree, Old Road and Sandy Point. It is understood that the 500 new homes are scheduled to be built in four consecutive phases of 180 days each, a total time limit of just two (2) years. The successful unfolding of this blueprint for Better Living will depend in part upon the outcome of the settlement of part of the mess which is a hangover from Labour's time--the take over of the sugar lands without compensation. Government is working to legitimise the unconstitutional take-over of the lands by Labour, so that the development of this vital housing sector will no longer be held back. Meanwhile, construction is rapidly nearing completion on the 36-apartment housing project on the Bay Road in Basseterre known as The Gardens. [Text] [Basseterre THE DEMOCRAT in English 5 May 84 p 1]

PAM MAY DAY RALLY--The People's Action Movement (PAM) celebrated MAY DAY in St Kitts so gloriously, that nobody, nowhere, could honestly challenge the statement that MAY DAY WAS PAM DAY. All day on Monday, PAM Headquarters was a hub of activities as members and friends of the People's Action Movement celebrated their Annual May Day in grand style. The day started with breakfast at 7 a.m. and the action continued right on to the early hours of Tuesday morning. It was a grand family occasion with lots to do, see, eat and drink as the leaders of PAM and their families circulated among the happy crowd. There were games, food stalls, a fair, a market place, a fashion show and music of every description. There was something for everyone and PAM Headquarters was the scene of laughter and gaiety with plenty of T-Shirts marked on the front, LABOUR DEAD and on the back NOT A DAMN SEAT FOR DEM. Many of those present commented on the stupidity of the Labour Misleaders for choosing to hold their activities right next door to PAM Headquarters at the Old Grammar School Pasture where their bewildered followers had the opportunity to see and hear for themselves the vibrancy of the People's Action Movement.

[Text] [Basseterre THE DEMOCRAT in English 12 May 84 p 12]

CSO: 3298/900

BRIEFS

NEW INFORMATION SERVICE CHIEF--There has been yet another change at the top at the Government Information Service (G.I.S.), with journalist Matthew Roberts taking over the helm from veteran Government Officer Timothy James. Roberts, a Graduate in Journalism from the University of the West Indies (U.W.I.) had long been tipped to takeover from James, but there was a shroud of secrecy surrounding the matter, as he and other Government functionaries remained tightlipped on whether the rumour of his pending appointment was true or not. Usually reliable sources indicate that Roberts has already started his new duties at the G.I.S. office, slipping in soon after James reportedly left the island for a lengthy training course in Australia. Formerly employed as a communications advisor with the Caribbean Planned Parenthood Federation, Roberts is expected to take some professional experience into the G.I.S. establishment. Sources close to Roberts indicate that he intends to "professionalise" the G.I.S., and hopes to be able to influence the government into formulating a media policy that would be in the interests of both government and the public. We at the CRUSADER eagerly look forward to see whether the Government policy towards Opposition coverage will remain as discriminatory as it has been. There are indications that this appointment is a political one which has not gone through the Public Service Commission. [Text] [Castries CRUSADER in English 2 Jun 84 p 8]

DEVELOPMENT ZONING--The Development Control Authority (DCA) of the Ministry of Planning has said that it will establish "institutional mechanisms" here to ensure that the island's greatest natural resource--the land, is put to the best use. The DCA said that the land was quickly being destroyed and depleted by improper utilization such as squatting in the forest reserve and the rapid increase of population. A spokesman for the Authority said that new directives suggested by the DCA would control what areas are developed in the case of roads, buildings, factories, how much sand mining that the island can cope with and how much of the land can be destroyed for charcoal. It is to this end the Authority said, that developers are not allowed to build on any land before careful consideration is first given. The spokesman added that particularly in Castries, the Authority's approach to the development of the city area was two fold, since it first had to improve the living conditions while strengthening the rural areas at the same time, and the building of housing schemes. This, the DCA said, is expected to begin within the next three months. [Excerpts] [Castries THE VOICE in English 9 May 84 p 2]

CSO: 3298/901

TRADE ISSUES INVOLVING CARICOM, U.S. ADDRESSED

TTMA Criticism of CARICOM

Port-of-Spain SUNDAY EXPRESS in English 20 May 84 p 15

[Letter to the Editor]

[Text]

THE EDITOR: The TTMA is surprised at the views expressed in the editorial entitled 'Sunday Opinion' in the *Sunday Express* dated May 13, 1984.

The article clearly demonstrates that its author is not clear on the facts surrounding the trading problems in the region.

The article tends to project a great deal of regionalism without considering the adverse effects on the manufacturing sector in general and the economy of Trinidad and Tobago in particular. It tends to place the full responsibility for the slowing down of trade in the region squarely on the head of Trinidad and Tobago. But we will point out later in this letter why and where the slow-down really took place.

The TTMA recently submitted (April 27, 1984) to your newspaper proposals for improving trade in the region on a more equitable basis. It is therefore manifestly unfair that the article should project an opinion that omits to mention the irregularities of other member states in the region.

We are very mindful of the necessity to maintain trade and stability in the region. However, to ignore the malpractices existing in the region and leave the flood gates open in Trinidad and Tobago, would only bring about further plant closures, idle plant time, lay-offs and retrenchment. We wonder to what extent the author of the article is aware of the problems facing the shareholders and employees of the

manufacturing sector in Trinidad and Tobago.

With the virtual closure of the Guyana and Jamaican markets, trade in the region is virtually a one-way street, i.e. into Trinidad and Tobago. It is therefore imperative and urgent that Barbados and the OECS put their houses in order and remove the tariff and non-tariff barriers in order to afford Trinidad and Tobago manufacturers a chance to sell into their markets on a fair basis.

We feel, too, that there must be some currency stabilization re the Jamaican dollar that will allow some level of trade to flow between it and the countries of the region. At the present time it is almost impossible for a Jamaican importer to purchase products from outside his country, but their exporters can ship freely to other Caricom states.

The licencing system introduced in Trinidad and Tobago was done as a defensive mechanism when Jamaica first introduced its parallel rate. The viewpoint which the article attributed to A. Lok Jack is really the opinion of the Management Committee and General Membership of the TTMA and is also the position of the current President E. Habib.

The article insinuates that this system has brought trade to a trickle in the region. We are sure that neither our other Caricom partners nor the author of the article have taken into account the fact that sales in Trinidad

and Tobago have declined between 15 - 50 per cent depending on the sector. This slow-down has affected Trinidad and Tobago manufacturers as well as imports into Trinidad.

The below table will show that trade in the region, even at a lower level, continues, with the imbalance against Trinidad and Tobago growing. The trickle is on goods from Trinidad and Tobago to the other regional members and not the reverse as the article suggests. This trickle from Trinidad and Tobago is largely attributable to the barriers of trade that the other territories have deliberately put in place.

The article also ignores the fact that at the regional level, it is well known that the Government of Trinidad and Tobago has repeatedly called on its Caricom partners to act in the spirit of the treaty.

In addition, at the Ministers of Finance meeting in November 1983 in Trinidad and Tobago, our economic

situation was made very clear to all member states. It was indicated that Trinidad and Tobago could not continue to sustain the level of aid and trade afforded its Caricom partners as obtained previously.

The TTMA, as it has in the past, continues to offer as a solution to the trading problems in the region the system of bilateral arrangements. Contrary to the belief of many, this is the only long-term solution and is not intended to break up Caricom but to make it work.

Barbados has used it in the past (contrary to the treaty) successfully, when Jamaica introduced its parallel rate, so it's nothing new to the region. The mere idea that the problems in each territory are different signifies the need for bilateral arrangements.

We hope this letter will help to clarify the TTMA's position in respect of regional trade once and for all.

Edward Habib,
President, TMA

CARICOM AGREEMENT TRADE EXCLUDING PETROLEUM — JANUARY-MARCH 1984 (TT\$):

	Imports	Domestic ports	Ex- Balance
OECS	15,195.8	5,491.8	- 9,704.0
GUYANA	10,492.8	4,294.5	- 6,198.3
BARBADOS	22,499.6	6,997.6	- 15,502.0
JAMAICA	19,504.5	522.4	- 18,982.1
BELIZE	5,981.3	0.0	- 5,981.3
CARICOM TOTAL:	73,674.1	17,306.2	- 56,367.9

Reaction to U.S. Steel Restriction

Port-of-Spain SUNDAY EXPRESS in English 20 May 84 p 3

[Text]

TRINIDAD and Tobago was surprised by the action taken in the United States against this country's export of steel products to markets there, the Permanent Secretary in the Ministry of External Affairs told a meeting in Port of Spain yesterday.

"As a small developing country, exporting a product that constituted less than one per cent of the U.S. market in that particular commodity, we were astonished to be the subject of such a petition and certainly had little experience fighting it," Christopher Thomas said.

He was at the time delivering the opening address at a meeting of the Inter-American Committee for Social and Economic Affairs, on the implementation of U.S. Legislation on Countervailing Duties and Subsidies, at the Riverside Plaza in Port of Spain.

"We have, however, learned a great deal in a short time," Thomas said, adding that "not the least, we now share the problems of our larger sister states in the OAS (Organisation of American States) and with them must try to find solutions to a common problem."

Earlier in his address, Thomas said that the recent rescheduling of some countries' foreign loans and the continuing efforts to obtain rescheduling of others were "merely short-term palliatives" which did little or nothing to correct "the fundamental imbalances that afflict countries in the region."

He said solutions still needed to be found for the fundamental causes of the troubles in some debtor countries. These, he said, were the rising interest rates, the budget deficits in the United States and trade protectionism in in-

dustrial countries.

"The overwhelming level of Latin American debt, now estimated at some \$4,350 billion U.S., and the obvious impossibility of servicing the debt under present circumstances, threaten the entire financial structure of the Western hemisphere," Thomas said.

On protectionism and the need for greater two way trade flows, Thomas said there had been a great deal of talk already on "the fallacy that international trade can grow if everyone tries to export more and refuses to import from anywhere else."

Retention of Import Curbs

Port-of-Spain TRINIDAD GUARDIAN in English 6 Jun 84 p 1

[Article by Clevon Raphael]

[Text] Trinidad and Tobago is not prepared at this time to soften its stand on licensing restrictions imposed on imports of goods from the region.

This position was reaffirmed yesterday by an official source on the eve of the special Caricom Council of Ministers meeting which opens in Antigua this morning.

Trinidad and Tobago will be represented by a three-man team headed by Industry and Commerce Minister Desmond Cartey.

The two-day session is the continuation of the meeting held in Guyana which discussed the trade imbalance in the region.

It was pointed out that the licensing regime was imposed to protect this country's manufacturers who were facing possible extinction because of the almost unchecked importation of goods, particularly from the other Caribbean islands.

The source said:

"What is galling is that while they had virtual free access to our market there was almost no reciprocity, meaning our goods were not being bought at levels acceptable to us.

"This situation obviously could not go on forever and measures had to be taken to protect our manufacturers.

"If a halt was not put to that untenable situation thousands of our workers in the manufacturing sector would have been thrown on the breadline through no fault of their own."

Local manufacturers were feeling the pinch as most of the imported items were being manufactured here. The source elaborated:

"Because of the goods being allowed to enter this country unrestricted, our manufacturers were not selling their goods...everybody wanted us to sell their goods but nobody wanted to buy our goods.

"They (other Caricom states) have been pressing us to change our licensing regime but I don't think this is possible because, apart from the trade imbalance our manufacturers are producing more than what they can sell at home."

Unless other Caricom members change their attitude towards Trinidad and Tobago, the source emphasised, there can be no ease up on the restrictions.

Asked what would be the stance of the Trinidad and Tobago delegation at the Antigua talks, the source said:

"I cannot definitely say that this country will ask for this or that, because I am not on the team, but it is reasonable to assume that if they want us to ease the restrictions we will be looking for favourable trading conditions too..."

The official's statement recalled an address delivered by Mr Cartey at the annual general meeting of the Trinidad and Tobago Manufacturers' Association (TTMA) on March 28, 1984, during which he questioned the viability of the Caricom Treaty.

Minister Cartey also suggested that Trinidad and Tobago look to extra regional markets for its exports.

He told his audience at the Trinidad Hilton there were many examples of items imported from some of the smaller countries which were virtually fully assembled and, in some instances, fully labelled as being of Caricom origin and, upon examination, clearly did not qualify for the description.

The TTMA passed resolutions stating that the Caricom Treaty was being abused and local manufacturers and exporters should concentrate on trading with third countries instead of with Caricom partners.

Cartey Remarks in Antigua

Port-of-Spain TRINIDAD GUARDIAN in English 8 Jun 84 p 1

[Article by Betram Niles]

[Excerpt] St John's, Thurs, (Cana)--Trinidad and Tobago hopes for an early return to "normalcy" in trade among Caribbean Common Market countries after the disruptions of the past year, Industry and Commerce Minister Desmond Cartey said.

Cartey is here attending the Caricom Council of Ministers meeting which is discussing ways of reviving intra-regional trade after a decline in growth in the last 18 months. The conference ends today.

The imposition of import licences by Trinidad and Tobago last October is a major factor in the concern about the future direction of trade. The twin island State bought 50 percent of Caricom's non-oil exports in 1982.

In spite of claims by regional manufacturers of a drop in business with Port-of-Spain, Cartey told Cana "no country could say that trade hasn't increased over the past year. The licensing regime has not resulted in a decrease in trade."

He restated his country's commitment to Caricom and expressed surprise that the meeting was being seen by some as a contest between "Trinidad and the rest (of Caricom)."

"I am not fighting with anybody. The meeting has been extremely cordial." He, however, refused to be drawn into any discussion on Trinidad and Tobago's negotiating stance, except to say that "at this stage our position remains the same."

Cartey defended his country's imposition of import curbs. He said Trinidad and Tobago had run up a trade deficit with Caricom of \$56 million (TT) in the first four months this year and the George Chambers Government had to take "some positive action."

CSO: 3298/904

TOBAGO SAID TO BE SHORTCHANGED IN WATER SUPPLY

Port-of-Spain EXPRESS in English 31 May 84 p 2

[Text]

THERE IS a deficit of approximately 1.48 million gallons per day of water supply over demand in Tobago, the Public Utilities Commission has learnt.

In a press release, the PUC said in reaction to several consumer complaints on the reliability of pipe-borne supply of water on the island, its engineers sought to determine the constraints affecting the ability of the major water production facilities to supply water there.

Visits were made to Courland, Hillsborough, Richmond Water Works and the maintenance facility at the compound of the regional office in August last year.

The PUC found out that the Courland water works were not functioning at full capacity because the clarifier could not handle raw water of high turbidity.

It also discovered that some pieces of equipment were deficient at Courland.

These included a raw

water well pump which was taken out for repairs, three of the four h.p. pumps were used elsewhere, one of the four filters was malfunctioning for more than nine months, apertures of the PVC nozzles were enlarged and head gauges and indicating lights on the main panel which tell the status of important pieces of equipment on the plant were out of service.

"Power outages further aggravated the situation at Courland," said the PUC release.

It added that the WASA had placed an order for the supply of 25 filter nozzles to replace the defective ones.

At the Hillsborough dam, the PUC discovered one of six filters was inoperative.

"Corrosion had occurred in the brass nozzles of all the filters due to their long usage.

"WASA had informed the PUC that these brass nozzles were no longer manufactured by the company that initially produced them," the release said.

The PUC also found problems with compressor units, dosing units, the metering pump and high lift pumps.

At the Richmond water works, the PUC learnt that there were two pumps, a 75 h.p. and a 35 h.p.

When the 75 h.p. was down for repairs, the 35 h.p. pump was unable to meet the increased demand put on it for water, said the release.

It added that the WASA has ordered two new 75 h.p. pumping units, one of which will replace the 35 h.p. unit there.

The PUC has recommended to WASA the integration of the three water systems at Hillsborough, Courland and Richmond.

"With an integrated system, turncocking would easily enable other sources to be used as a supplemental supply to areas served by a plant where water production is reduced."

The release added that WASA is to give in-depth study to this pro-

posal in terms of the capital expenditure involved and the new Richmond water supply project.

"The authority has indicated however that a satisfactory solution to the present water supply problems in Tobago is to increase the water supply at source.

"Accordingly steps are underway to increase the water supply," said the release.

The PUC release also pointed out that the following projects are to be completed this year: a new well at Old Government Farm, Courland improvements, refurbishment of the Hillsborough Treatment Plant and construction of the King's Bay Water treatment plant.

The PUC further noted that WASA argues that the water shortage problem in Tobago will only be solved when the new Richmond water supply project is put into service.

This project is expected to be completed in 1990 to yield an estimated five millions gallons of water per day.

TAPIA HOUSE LEADER CALLS FOR 'COHERENT' NATIONAL PARTY

Port-of-Spain TRINIDAD GUARDIAN in English 6 Jun 84 p 19

[Text]

A GENUINE, coherent national party, with a coherent policy and programme is the safest way to ensure the survival of Trinidad and Tobago.

This view was expressed by Dr. Bhoendratdatt Tewarie, Chairman of the Tapia House Movement and lecturer at the University of the West Indies, St. Augustine.

He was speaking at the Victoria County Convention organised by the National Alliance and held at the Marabell Senior Comprehensive School.

He said that such a party should be led by a political leader chosen by an electoral college equally represented by the constituent units that made up the national party.

Leadership, he stressed, was a serious issue in the establishment of the national party and must be faced honestly and squarely and not postponed. There must be no effort to "fix-up the leadership." The leader should be selected in such a fashion that he should genuinely reflect the wishes of the members of the national party, and therefore,

be able to command the respect of the entire population.

OVERTURES

Dr. Tewarie, who was presenting proposals for the formation of a national party, said that the National Alliance should continue to make overtures to both the Organisation for National Reconstruction (ONR) and National Joint Action Committee (NJAC) "in order to forge a truly national party as a real alternative to the present regime — a party capable of wresting power from the PNM Government and bringing salvation to the people of Trinidad and Tobago."

Convention delegates heard from Dr. Tewarie that "my message to you is that unity is the answer if we are to build a more civilised and humane Trinidad and Tobago. It is a simple message, but it is true. We cannot handle the problems that affect us from outside, without first handling those that affect us inside the country and this can only be realised by the establishment

of a truly national party that will work assiduously to establish responsible political institutions and insist that there is justice for all. It must be a party through which should be removed corruption, nepotism and patronage otherwise these unsavoury elements will continue to devour the moral fabric of our nation."

CLEAR STATEMENT

He said he was not asking for political convenience, or election experience in the distribution of seats, but an organisation with "moral responsibility and national integrity and self respect."

Because of that he stated, it was necessary to obtain a "clear statement on the question of the national party from both the ONR and NJAC."

He said he was aware that the ONR political leader, Mr. Karl Hudson-Phillips, had expressed his interest in a national party and it was important at the outset to have a clear and unequivocal statement on the matter "so that we can give some measure of hope to our children."

Dr. Tewarie said that the Accommodation of

1981 and the Accommodation of 1983, were definitely not good enough if Trinidad and Tobago were to be rescued from the abyss into which it was plunged and the three major factors that were necessary for the survival of Trinidad and Tobago were the organisation and establishment of a truly national party, selection of a party leader who would reflect the wishes of the membership and the provision of a coherent policy and programme that would win the acceptance of the entire population.

In answer to a question from the convention floor, Dr. Tewarie said that it was necessary to select the leader by means of an electoral college composed of equal representatives of the parties that made up the national whole, because of the imbalance in membership of each constituent unit. Later, at its national convention, the party could elect a leader from convention delegates. In the transition, the most appropriate method for selection of the party leader was through the electoral college.

GOVERNMENT URGED TO INVESTIGATE U.S.-OWNED RADIO IN VENEZUELA

Port-of-Spain EXPRESS in English 31 May 84 pp 11, 12

[Article by Ronald John]

[Text]

A CALL has been made for a national dialogue on an issue about which the Government of Trinidad and Tobago claims to know nothing. The issue is the American operated radio station expected to beam signals into Trinidad and Tobago starting in September or October this year.

"Caribbean Radio 14" is at present in operation on Guiria — a town on a thin strip of land jutting towards Trinidad and Tobago from the coast of Venezuela. It is about a half hour from Trinidad by air and only 40 miles from Port of Spain.

Many persons have expressed the view that the External Affairs Ministry should thoroughly investigate "Caribbean Radio 14" because of the tremendous potential for foreign intervention into our airwaves.

But when the EXPRESS checked with Senator Basil Ince's Ministry in Port of Spain, the director of the legal division said they knew nothing about the radio station except what was in two EXPRESS articles on the subject (on April 19 and on May 11). "I suggest you call the Ministry of Information and find out what they know. They have been studying the report. Call them, it is the best bet," the director said.

The official at the Ministry of Information also expressed total ignorance about the station. "We don't know about it at all," he said when contacted by telephone.

Amazingly, the EXPRESS got a similar response from the Venezuelan Embassy in Port of Spain.

"We don't know anything officially about Ca-

ribbean Radio 14," said the Embassy official, "but we will check with Caracas to find out." The American Embassy on Marli Street, Port of Spain was in the same quandary — they had never heard of the station.

But the National Conference of Catholic Bishops (NCCB) which has headquarters in Washington, U.S.A., knows about "Caribbean Radio 14." They made their own investigation after the EXPRESS articles came out.

According to the copy of a circular which came to the EXPRESS recently, NCCB's Department of Communication confirmed that "Caribbean Radio 14" is run by Pierce Communication of Saratoga, California, and they have been serving the Guiria community through a 500-watt station. Early this year Pierce Communication

got permission from the Venezuelan Government to upgrade their transmission capability to 10,000 watts to enable them to reach Trinidad and Tobago.

When the EXPRESS contacted the Ministry of Public Utilities on the subject, a source in the Telecommunication Division also had no knowledge of the operation.

The source pointed out though that if the station does exist and if they had to upgrade their transmission capability, our government should have been advised. "Coordination exercises should have taken place," the source said. "It would appear that our Division knows nothing about 'Caribbean Radio 14,' but if the station is to beamed into Trinidad and Tobago it is expected that in principle the Venezuelan Government would have coordinating exercises with our Government."

According to the NCCB circular, "Caribbean Radio 14" will be on the air 12 hours per day with an extended

half hour for advertisements. Six and a quarter hours will be allocated to Caribbean music and four and a quarter hours to religious programmes. The remaining two hours and 15 minutes will go to Indian music.

The sum of \$100 TT would be charged for each 15 minutes of air time.

The circular also quoted a Dr Ben Armstrong, President of the National Religious Broadcasters Association of America who described Pierce Communication as a "reliable and legitimate operation."

Gene Bernald, an official of Pierce Communication, was quoted as saying he had no knowledge of any CIA relationship involved with "Caribbean Radio 14."

Bernald said the station's plans for Trinidad and Tobago were mainly for airing locally-produced religious programmes and that they would not be carrying any "hate" religious shows.

The only possible

problem, stated the NCCB, was the possibility of evangelical or Pentecostal programming on the station which would be proselytizing for religious organisations of that kind.

This excursion into our airwaves is considered a new ball game in the media in Trinidad and Tobago. Many concerned citizens say that a dialogue should be forthcoming in order to stimulate interest.

"Don't let it pass," one person said, "a foreign radio station has tremendous power. Call for a national dialogue. Others have mentioned the recent Grenada tragedy and have asked, 'in a moment of crisis who knows what might happen?'"

The kind of national dialogue called for might take the form of the prime time television Dale Kolasingh show, one leading citizen said. In the spirit of national interest persons versed in international relations should be invited to give their views on this unprincipled behaviour by Venezuela.

COMMITTEE RECOMMENDS CHANGES IN PNM CONSTITUTION

Port-of-Spain TRINIDAD GUARDIAN in English 1 Jun 84 p 3

[Article by Clevon Raphael]

[Text] A 12-man committee which investigated the role, function and perspective of the ruling People's National Movement (PNM) has recommended that a new constitution committee be appointed to consider amendments to the constitution of the PNM in time for the party's 1984 annual convention.

The report of the team, headed by Education Minister Overand Padmore, suggested in its report which will be dealt with by the PNM's General Council on Sunday, that the proposed constitution committee should look into the composition of the General Council.

Also, it should re-examine the approach to the party group (the basic unit of the party) and the duties and responsibilities of the party's General Secretary.

Another recommendation of the Padmore probers calls for the appointment of a Youth Commission to consider and make recommendations for the development of a National Youth Programme,

The Political Leader Convention's address, the annual political report, and the General Secretary's annual report should be discussed in detail at one or more joint meetings of the General Council, Legislative Group, Women's League and the Youth League.

Stress on Tobago

The probers also recommended that the presence of the PNM must be more strongly felt in Tobago and the party should establish regional offices in Tobago to be headed by an Assistant Secretary.

As part of its exercise the Padmore team spoke to party members and supporters in all the 36 constituencies and on Tobago, these were some of the views which came out:

--Only when the Prime Minister (George Chambers) spoke in his Independence Day message were we aware Tobago got money--Why have we not published this in view of statements from Chairman, Tobago House of Assembly?

--Weekly visit of Minister for Tobago Affairs not good enough--Tobago still has many PNM supporters but apparent disinterest of government frustrating our membership--Ministers must spend more time in Tobago--doctors not responding to casualties with dispatch--hospital also needs modern equipment;

--Members of government not caring very much about Tobago--from all appearance House of Assembly doing as they like and the Government as financier allowing them to do so; Government must stop this;

--House of Assembly propagating an image of being able to do what they want--voluntary agencies cannot get anything from the House of Assembly; voluntary organisations cannot get the community centre, must pay to use Shaw Park, and Fairfield Complex taken away; Groups now approaching Mr Robinson directly and getting what they want--this seeming confusion will affect voters;

--Trend in Tobago creates great deal of concern among PNM members there--a sliding trend politically--PNM no longer in driver's seat.

"This has led to confusion and frustration. There is a feeling that things are happening in a manner contrary to established rules and regulations.

"People in Tobago have been told and have come to accept that in the House of Assembly there are 'secretaries';"

--Dangers lurking around--moves to break away from the unitary state--effort no longer covert--when they found opposition they pulled back but will try again;

--House of Assembly leaders from inception were bent on destroying Special Works. Only area in which PNM members of House of Assembly could assist their supporters. Special Works being prevented from doing its maintenance work effectively--DAC controls supply of materials and not making them available.;

--PNM should make a point of correcting false reporting. Opposition in Tobago has begun to hold their election meetings;

--People of Tobago often do not have the facts to respond to the claims/charges of the political opposition;

--Majority party in House of Assembly only giving work to its members. In Chairman's electoral district no one is unemployed;

---PNM members of House of Assembly must publicise discriminatory practise of majority.

--Things opposition in Tobago formerly rejected, now claiming as their own, e.g. Claude Noel Highway;

--Tourist industry second largest employer of labour in Tobago.

--The Chairman has established his own Tourist Board with members drawn exclusively from among supporters;

--PNM can win the 1984 (House of Assembly) elections if we start now.

CSO: 3298/905

LABOR UNREST CONTINUES; NO SETTLEMENT YET AT TEXACO

McLeod Blast at Politicians

Port-of-Spain TRINIDAD GUARDIAN in English 1 Jun 84 p 7

[Text] Mr Errol McLeod, acting President General of the Oilfields Workers' Trade Union, on Wednesday night hit out against political parties which he said had not come out in support of the working class.

Mr McLeod said: "We have a system that is not supportive of the workers. None of the political parties has come out with a statement in support of the working class. Let us understand that."

The union leader was at the time speaking at Harris Promenade, San Fernando, on the platform of the Joint Groupings of Trade Unions.

He said what those political parties wanted was the votes of the workers.

Referring to the dispute between the union and Texaco, Mr McLeod said "if Texaco does not withdraw the dismissal notices served on the eight workers, then it will be difficult for the development of a meaningful industrial relations climate between the company and the union."

He said Minister of Labour Errol Mahabir exercised his power and authority over Caribben Tyre Company (Dunlop) and that company withdrew all warning and suspension notices. The "Dunlop" workers were suspended in an atmosphere of turbulence.

"I want to know whether Mr Mahabir has that same authority and power in so far as Texaco is concerned and he must tell us that once there is industrial action, emotions will run high and you will find the more militant workers doing things other people will not necessarily do."

Support Pledged

He said that the workers at Guayaguayare, Forest Reserve, Barrackpore, Brighton and Pointe-a-Pierre were calling for the withdrawal of the dismissal notices. They also wanted a responsible wage offer and a moratorium on retrenchment.

He said that Texaco was saying that the union must pay compensation for damage that took place during he impasse. "I say no."

"Texaco is also saying that there must be a return to normalcy and that the union must agree to a consolidation of crafts before Texaco can put an improved wage offer on the table. The union cannot agree to that," he said.

Other union leaders who spoke pledged support to the OWTU in its dispute with Texaco.

Among them were Mr William Rampersad of the Brotherhood of Construction and Industrial Workers' Union, Mr Harold Leslie and Mr Clive Nunez, of Transport and Industrial Workers' Union, Mr Paul Harrison of Aviation, Communication and Allied Workers' Union, Mr Frank Seeperd of TTUTA and Mr Gus Rennie of the PSA.

Mr Rennie said that employers had united themselves, therefore the workers must unite to fight against wage freeze and retrenchment.

He said Texaco should make a decent and reasonable wage offer to allow workers to maintain a high standard of living.

Rejected Wage Offer

Port-of-Spain TRINIDAD GUARDIAN in English 1 Jun 84 p 7

[Text] Communication Workers' Union (CWU) now negotiating with the Trinidad and Tobago Telephone Company, (Telco) has criticised the company for alleged "contemptuous treatment" in the matter and the latest wage offer of 4 percent.

In a release, the CWU said that Telco failed to volunteer specific information requested by the union. The company was accused of disregarding the basic principles of collective bargaining and the industrial relations procedure.

The statement also described the latest wage offer by Telco as "unrealistic and provocative." Telco offered a 4 percent increase in the first year, and 6 percent for the second and third years.

This offer, (CWU) Secretary General Ian Clarke dismissed as "contemptuous and ridiculous" and said that the union was not prepared to negotiate on the basis of such an offer.

The union stated that to conduct any meaningful discussion on wages, Telco must first be prepared to offer a minimum 25 percent increase in the first year.

Such an increase was necessary because of increased taxation, removal of subsidies, increases in public utilities fees and the new NIS health surcharge.

CWU has also called on Telco workers to support a call for a public inquiry into the operations of Telco with specific reference to the foreign labour contract.

Instructions to Police

Port-of-Spain TRINIDAD GUARDIAN in English 1 Jun 84 p 1

[Text] Commissioner of Police Mr Randolph Burroughs yesterday instructed all police officers to take "prompt and positive action" on reports of violence and other lawless activity connected with industrial disputes.

In a statement to the Press, Mr Burroughs condemned the behaviour of persons who showed no regard for the rights of other citizens and their enjoyment of property and family life.

The Commissioner revealed that within the last few days the Police had received reports that "Molotov cocktails" had been thrown at the homes of four employees of Texaco Trinidad Inc resulting in damage to these homes.

"It has also been reported that several motor cars have been damaged in various areas by vandals who smashed the windscreens of these vehicles and punctured the tyres," Mr Burroughs noted.

"In some instances, nails in paper bags were placed in the roadway of passing vehicles including police vehicles and gas trucks.

Nails on Road

"This resulted in the tyres being deflated when the vehicles rolled over the nails," he added.

"On Wednesday May 29, the home of a Minister of Government was visited by a group of unruly persons who were abusive to the occupants of the house and left them in a state of fear.

"The unruly crowd kept up this form of intimidation for some time until they left by cars and by other means of transport. It has been reported that these persons have made threats to return," Mr Burroughs reported.

In the light of these events, the Commissioner warned members of the public about violations under the Trade Disputes and Protection of Property Act.

This Act states in part: "It shall not be lawful for any person, with a view to compel or induce any other person to abstain from doing or to do any act which such person has a legal right to do or abstain from doing, wrongfully and without legal authority to--(a) Use violence or to intimidate such other person or his wife or children or injure his property."

Mr Burroughs pointed out that any person breaking this law may be arrested without a warrant by any constable.

In its editorial yesterday, the Guardian drew public attention to increasing acts of lawlessness associated with industrial disputes and called on the Police for a more positive and concerted initiative to protect companies' property and personnel and the right of employees to get to their workplace without hindrance or intimidation.

Telco Shift Protest

Port-of-Spain TRINIDAD GUARDIAN in English 6 Jun 84 p 1

[Text] The Trinidad and Tobago Telephone Company (TELCO) has decided to delay implementation of a new shift system for telephone operators following a meeting between the Communication Workers Union (CWU), bargaining agent for the workers and the company yesterday.

The dispute will be taken to the Industrial Court in Port-of-Spain today for final decision on the new programme.

The company instituted a six-hour shift system for its 150 telephone operators on Monday last, but this prompted industrial action by the workers who refused to work in protest against the new system.

The result was that the telephone service throughout the country was affected. In one instance a "Guardian" reporter calling a Port-of-Spain business concern received replies from two separate recordings at the same time.

The old shift system entails a five-hour shift per day from Monday to Sunday and the new system proposes a six-hour shift from Monday to Saturday, with some operators being called out to work on Sundays on a roster system.

No agreement on the dispute was reached yesterday and the matter will be referred to the Industrial Court for interpretation today.

A union official said yesterday that the telephone operators have reverted to the old shift system pending the outcome of a decision taken at the Industrial Court.

The telephone company, a source said yesterday, had advanced to the union, that the new shift system would enhance productivity, but a union official stated yesterday the company could not explain how.

Mr Neil Giuseppe, Telco's public relations manager, could not be contacted for comment yesterday on the issue.

OWTU-Texaco Talks

Port-of-Spain TRINIDAD GUARDIAN in English 9 Jun 84 p 1

[Text] Mr George Weekes, President General of the Oilfields Workers Trade Union (OWTU), faced officials of Texaco TRINIDAD Inc across the negotiating table at the Labour Ministry for the first time in the current dispute involving both parties yesterday. But after four and a half hours of intense discussions two crucial issues remained unresolved.

Both sides have refused to change their positions concerning the reinstatement of the dismissed workers. They will reconsider the matter over the weekend.

This week Texaco commuted the dismissal of one of the workers to a two-week suspension. But they will want an arbitrator to deal with the case of the other workers.

The company's General Manager, Mr Lloyd Austin, said that he would not change his position on that issue.

But the union is demanding the unconditional reinstatement of the workers.

At the end of yesterday's talks OWTU Vice-President Errol McLeod said, "We are giving more thought to the entire situation. I cannot commit myself or the union on the question of an arbitrator."

Minister of Labour, Social Security and Co-operatives, Mr Errol Mahabir, says he is in favour of having an arbitrator intervene in the matter.

The reinstatement issue dominated most of the meeting and talks on it will continue when the meeting resumes at 4 p.m. on Tuesday.

The question of wages is the other major item to be agreed upon.

Some progress was reported on other issues. There has been agreement about annual vacation leave and leave to attend to union business.

Proposals Amended

Sick leave was also discussed. Both parties have agreed to form a sub-committee to deal with the matter since the outcome of it could affect other agreements. Representatives from the National Insurance Board (NIB) will be included on the committee.

The union amended its proposals on heat and height bonuses and the company will respond to this amendment at the next meeting.

Mr Weekes, who acted as the union's adviser during the meeting, said he was optimistic that further progress would be made when talks continued. He said discussions were conducted without bitterness.

Commenting on Mr Weekes's presence at the talks, Mr McLeod said, "I always feel easier when he is around. Mr Weekes's presence will always help in whatever situation."

Mr Weekes played an active role in the talks.

Discussions were described as frank and cordial.

Inflation Concern at CDE

Port-of-Spain TRINIDAD GUARDIAN in English 9 Jun 84 p 4

[Text] Increased inflation in Trinidad and Tobago is forecast by the Caribbean Development Bank (CDB) if Government borrows money locally to pay public servants higher salaries under new wage agreements expected this year.

In a report on the economic situation of member countries prepared by the CDB for last month's 14th annual meeting, the bank also pointed out that inflation in Trinidad and Tobago leapt from 12 percent in 1982 to 17 percent in the study period 1983.

The report states that in view of the downturn in oil revenue, the Government instituted drastic cuts in public expenditure--and began looking very closely at income tax returns and departmental spending.

"Nonetheless" said the bank "a new wage agreement is expected to be implemented in 1984. If the additional expenditures are financed through increased domestic borrowings, then this is likely to have an adverse impact on private sector investments as well as on supply and pricing decisions."

"Higher real costs of credit extended to firms will represent higher input costs and can therefore have inflationary consequences," the report added.

Pointing to the weakening of Trinidad and Tobago's economy last year, the bank said that it was not unexpected and was due to the drop in price and in output of oil which began in 1980.

The decline in income from the petroleum industry had a dampening effect on the level of economic activity, resulting in, among other things, a lowering of fixed investments and a rise in the unemployment rate. According to the bank, the labour force fell by one percent between mid-1982 and mid-1983 from 443,000 to 442,400 while the unemployment rate rose from 10.2 to 11.1 percent.

At the same time, the report said, inflation was at 17 percent compared with 12 percent in the earlier time period. Wages, on the average, continued to rise.

At the CDB meeting which was held in Kingston, Jamaica on May 16 and 17, the bank's President, Mr William Demas, spoke on the topic "Adjustment and Recovery in the Caricom Countries."

And he dealt with an issue that is expected to be high on the list of next month's heads of Government meeting among Caricom countries which will be held in the Bahamas.

The issue is currency exchange rates.

According to Mr Demas, the issue is complicated, needs very close examination and affects every facet of national economic life.

There is controversy about the effectiveness of exchange rate changes in improving the balance of payments of Caricom countries. However, if a "positive" downward adjustment (devaluation) is made as part and parcel of a package of operational plans and policies for increasing production and exports, if the package means lowering imports of non-essential goods and services, then devaluation can work in the Caribbean.

Lot of Trouble

But devaluation could lead to a lot of trouble, even political hot water.

"As is well-known" said Mr Demas, "the great drawback with downward adjustment of the exchange rate is that it raises the cost of living inside the country and therefore has widespread socio-economic and even political implications.

"We may also get the wage/price spiral of downward adjustment of the economic rate and an almost instantaneous compensating increase in money wages, salaries and other incomes further downward adjustment, higher wages and salaries again and yet further downward adjustments and so on."

He pointed out that when a country's foreign reserve were exhausted, there was no alternative to "defensive" devaluation--but he also stressed that devaluation increased the local currency cost of imported raw materials and other inputs into the manufacturing sector.

Weekes Resignation Decision

Port-of-Spain TRINIDAD GUARDIAN in English 7 Jun 84 p 1

[Article by Mikey Mahabir]

[Text] San Fernando--Mr George Weekes, President General of Oilfields Workers Trade Union for the past 20 years, said yesterday he will not stand for re-election when the union holds its executive elections in April next year.

Mr Weekes returned home on Tuesday evening after spending five weeks abroad during which he visited the Soviet Union and attended an international conference in Moscow.

His move not to stand for re-election to the post in the union is likely to come as a surprise to the rank and file of the labour movement, although his close associates had been aware of his intention to step down.

When asked about his future plans should he decide finally not to stand for re-election, he said he had not considered that as yet.

The OWTU leader said he would give reasons for his decision at the union's annual conference of delegates to be held on September 8 this year. He is expected to resume work early next week.

In his absence, First Vice President Errol McLeod acted as President General.

Asked whether he was being kept in touch with events on the industrial scene in Trinidad involving the OWTU, Mr Weekes said he was being briefed by the acting President General.

The union is currently involved in an industrial dispute with Texaco Trinidad Inc over a new industrial agreement.

Looking physically fit and in good health, Mr Weekes said he had already been briefed on the problems by executive officers and he intended to make a statement shortly.

Asked about reports of a rift within the executive, Mr Weekes said: "The union was never stronger." He said it was the machinations of some people who wanted to see a rift. In fact, he said, there was very good co-operation existing within the executive.

On arrival at Piarco from New York, Mr Weekes was given a warm welcome by members of the union and supporters, particularly those workers involved in industrial disputes with their employers.

Mr Weekes said he visited the city of Baku in the Soviet Union, a state situated at the border of Iran and Turkey on the Caspian Sea. The largest oil refinery is situated in Baku and he learned that it was from that state that the entire Soviet Union obtained its supply of oil during the last war.

He also toured one of the largest air conditioning plants in the Soviet Union and in fact in Europe and attended the May Day celebrations in Moscow in which some two million persons took part.

He said he made very useful contact while away, he added.

CSO: 3298/903

BRIEFS

STUDY BY MANUFACTURERS--A decision has been taken by the Trinidad and Tobago Businessmen's Association (TTMA) to look into matters and problems now affecting import and export, manufacturing, job security, the Ministry of Industry and Commerce, the Central Bank and the economy of Trinidad and Tobago. This decision was made during the first meeting for the 1984/85 term which was held last Friday. TTMA would also be looking into problems affecting air and sea shipping, the port customs and excise and the Industrial Development Corporation. However, as a matter of priority, the executive has chosen to pursue the problems encountered with Customs and Excise, with an aim to finding solutions that would ease the present situation. TTMA has also decided that at all quarterly meetings problems concerning members would be taken care of and a guest speaker would be invited to address the organisation on problems of the day as it affects the nation and the economy. The next meeting of the association is carded for June 30. [Text] [Port-of-Spain EXPRESS in English 21 May 84 p 31]

MAPPING ERROR--Scarborough--The Tobago House of Assembly is taking steps to correct a mapping error which shows the world famous Buccoo Reef extending out of the sea and ending inland on top Patience Hill. The error was made when the reef was declared a restricted area. One of the coordinates on the map designating the area which was to be restricted, extended so far inland that it showed the reef ending on top of the hill. Now the Assembly is to correct that error, and it will also spend \$70,000 to install a beacon at Booby Point with buoys and other navigational aids. Installation of the beacon and other markers will be carried out by the Harbour Masters Division, according to Dr Jeff Davidson, Secretary for Agriculture and Marine Affairs. Davidson also disclosed that his division will be sponsoring a conference to be attended by representatives of the Harbour Master and the Institute of Marine Affairs to update regulations for the control of Buccoo Reef, one of Tobago's main tourist attractions. In addition, the Assembly, as funds permit, will undertake a programme of installing navigational lights at various bays around the island. This, he said, was to assist fishermen who at present go out to fish only at bay, for if they venture out at night there are no navigational markers to bring them safely back home. [Text] [Port-of-Spain in English 31 May 84 p 6]

COASTLINE CONTROL--A publication entitled "A Compilation of the Laws Regulating the Use of the Coastal Environment" has been prepared by the Institute of Marine Affairs. The publication deals with the laws of the country that seek to control activities which may adversely affect the physical environment and outlines the physical and social effects which may result from an alteration of the environment by such activities. According to a release from the Institute, the laws have been grouped according to the branch of the law from which the power in respect of environmental control is derived as well as the particular environmental problems which the various laws seek to control, for example water and air pollution, noise abatement, waste disposal and nature conservation and preservation. Copies of the publication have already been distributed to government ministries, agencies and departments. A limited number are available for sale to the public at a cost of \$25 per copy. Certified cheques or money orders should be marked to the Institute of Marine Affairs. [Text] [Port-of-Spain EXPRESS in English 31 May 84 p 2]

CABINET RESHUFFLE DENIAL--There are no plans for any Cabinet reshuffle according to sources close to Cabinet. Any Cabinet reshuffle will have to be done by the Prime Minister and sources point out that there are no indications that such a reshuffle is intended or forthcoming. Government circles added there have always been such rumours "throughout the years." A report in a daily newspaper (not the "Guardian") stated that PNM members had suggested that there would be a Cabinet reshuffle. The source pointed out that it was a view expressed to the Padmore Committee appointed by the PNM party to review the party's activities. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 5 Jun 84 p 1]

CSO: 3298/906

FEDECAMARAS SUPPORTS BILATERAL RENEGOTIATION OF FOREIGN DEBT

Caracas EL NACIONAL in Spanish 22 May 84 p D-9

[Article signed by H.L.]

[Text] Although it maintains the view that the debts of the Latin American countries should be reviewed and analyzed jointly, the FEDECAMARAS [Venezuelan Federation of Associations and Chambers of Commerce and Industry] believes that the refinancing of the debts should be negotiated individually, taking the situation of each of the countries in the region into account.

Rafael Marcial Garmendia, acting president of the FEDECAMARAS, indicated agreement with the shaping of a joint position by the Latin American countries in order to seek differential treatment in the negotiation of refinancing.

"However it is necessary to warn that each debtor has different conditions, for which reason one cannot ask for equal, but rather differential, treatment in refinancing," Garmendia added.

He said that it is necessary to negotiate better conditions jointly, but that each country must negotiate on the basis of its current position. In these terms, Venezuela has a better likelihood of reaching some agreement than any other Latin American country.

Cost, Price and Wage Law

Garmendia, speaking as alternate president of the FEDECAMARAS, talked with newsmen yesterday on various subjects pertaining to the economy. In speaking about the cost, price and wage law, he said that the federation has already set forth its position on the matter to the country, and believes that it has done its duty in "raising the question of the serious harm this instrument will do to the economy and the labor sector in the country."

Concerning the CTV [Confederation of Venezuelan Workers] draft law, which gives the National Cost, Price and Wage Commission a compulsory aspect, he said that the FEDECAMARAS has made very accurate observations, and trusts that the good sense of the parliamentarians will prevail over any other consideration when it comes to debating the provisions in the legislative chambers.

Latin American Debtors Club

Concerning the proposal that a club of creditor countries in Latin America be organized to demand just treatment in the refinancing of the regional debt, Garmendia said that the situation of the Latin American countries should be viewed as a whole because of the need to deal with area problems.

"When the increase in interest rates was rejected, it was because of the problems glimpsed in fulfilling the commitments undertaken."

He warned that the joint concept is dictated by the need to demand just treatment, but that each debtor has different conditions which must be taken into account when it comes time to negotiate refinancing. "Not equal, but different, treatment must be demanded for each country," he stressed.

He emphasized the fact that Venezuela is in a position to negotiate its debt on a better level than any other Latin American country.

"But Latin America must be viewed as a whole, since we cannot ignore the situation the region is experiencing, and the United States must be aware of this, particularly when it comes to the political, social and economic problems faced by the Latin American area."

He said that where Venezuela and its foreign debt are concerned, its situation as an oil-producing country with a democratic tradition dating back several decades, providing creditors with guarantees, must be taken into account.

Interest Rates

Garmendia commented to journalists on the effects of the increase in interest rates in the United States on the Venezuelan private sector.

He estimated that the indebtedness of businessmen is increasing by an additional \$150 million per year, to which is added the rate of 7.50 bolivares per dollar in interest, yielding a total of approximately 750 million bolivares per year, or an average of 60 million bolivares per month.

5157

CSO: 3348/438

DEBT RENEGOTIATION PROCESS REACHES CRITICAL STAGE

Caracas ZETA in Spanish 30 May 84 pp 14-17

[Text] In the economic report last week, the view that Venezuela should not join any club of debtor nations because our circumstances are different from those of the majority of the other nations affected was set forth. This view appears to have won out in the Foreign Ministry, where the joint declaration by Argentina, Brazil, Mexico and Colombia against the interest rates of the foreign banks is concerned. The summons to a regional meeting seemed "hasty" to President Lusinchi. But the visit to Caracas to be paid by the Creditor Banks Club, for the purpose of hearing a specific proposal within an atmosphere of understanding, should have an effect too.

In rejecting the regional summons issued by Argentina, Brazil, Mexico and Colombia, the Foreign Ministry seems to be confirming the view to the effect that Venezuela should not join a group of debtor countries, because our circumstances are different from those in the majority of the debtor nations.

"The establishment of a debtors' club does not seem the best way to deal with the problem of the foreign debts of the Latin American countries," Minister of Foreign Affairs Morales Paul said. According to the Casa Amarilla, a fifth version of an amended draft statement opposing the increase in bank interest rates was sent to Caracas "with the warning that it could not be altered." Since President Lusinchi had "timely and desirable" questions to raise, it was preferred that Venezuela be excluded from the appeal, "although it basically agrees with its content, believing that this issue would need cautious examination because of its economic and political implications."

The failure of Lusinchi to sign the document gave rise to widely varied comments. AD [Democratic Action] President Gonzalo Barrios believes that "Venezuela should sign," while Carlos Andres Perez attributed this failure to shortcomings in the Foreign Ministry.

With only 3 weeks remaining before the members of the Creditor Banks Subcommittee arrive in Caracas to hear our offers concerning renegotiation of the debt, and also just prior to a regular International Monetary Fund (IMF) visit, the decision of our national government is very important in terms of the atmosphere of confidence our country should provide for the creditors.

The additional credit the Council of Ministers is arranging to pay for the foreign debt service totals 17,500,000,000 bolivares, since it has been found that actually 3,500,000,000 bolivares, in addition to the sum initially estimated, is required. This is because some decentralized state bodies cannot cover their obligations by themselves. In the course of this week, President

Lusinchí and his advisers will draft the final plan which is to be submitted to the creditors for their consideration when they come to Caracas in the first 15 days of June.

The presidents of the autonomous institutes and state enterprises are receiving direct instructions to focus their attention on servicing the debt and the due dates involved, in the midst of comments, which are being officially denied, to the effect that the foreign banks are awaiting the International Monetary Fund conditions before talking with Venezuela.

In view of the new circumstances, the orders coming from Miraflores are to "redouble efforts to bring interest in the private sector up to date, and to guarantee that there is no back interest due in the public sector." The proposals Venezuela has made to its creditors to date have been neither accepted nor rejected, and it is believed that there may be a definition in June, when the Economic Subcommittee responsible for this analysis comes to Caracas.

Some sectors with greater or lesser involvement have expressed their concern through the discreet silence maintained about these serious, profound and delicate negotiations. It would be well to note what the debt negotiator, Dr Carlos Guillermo Rangel, said at Miraflores in response: "During the preceding administration, absolutely no progress was made in the debt process."

It was precisely this lack of action which provided the main reason for the present uncertainties, since when the present negotiation commission took charge of the debt package inherited, interest for the public sector already exceeded \$200 million, while in the private sector, the RECADI had not approved any debt or interest thereon.

In any case, wherever the blame may lie, the problem must be dealt with now. Venezuela will shortly submit our macroeconomic projections to the International Bank. They are being analyzed for the creditors, and during their approaching visit, we will obtain more precise answers. The bankers' silence concerning the Venezuelan proposal is entirely consistent with the discreet announcement which has been made here in this regard. But between the one point and the other, it would be well to provide information, to establish some premises, to lay out some routes.

For the time being the government has issued strict instructions regarding future debt commitments. Many of the current debts are hard to justify, and in many cases were contracted by institutions or individuals who had no capacity to meet their commitments.

As a result of the above, the debt total rose above the real economic capacity of the country, but, much worse still, it has been demonstrated that it came to exceed the capacity of our government and private debtors to provide an adequate response to it. The drop in oil income beginning in 1982 aggravated this response crisis; the proper adjustments were not made; and soon it could be seen that precautions against such a situation had hardly been taken in any quarter.

To this we must add the fact that the maturity dates for the debts were truly oppressive. In 1983, more than \$10 billion came due all at once, in other

words, 40 percent of the total debt, estimated at \$27,511,000,000. The debts falling due between 1983 and 1984 were massive, totaling \$14,500,000, or 53 percent of what we owed. This blow, plus the accumulated payments on capital and interest in arrears, led to the inevitable practice which is adopted in such cases: the automatic short-term credit renewal system ceased to function.

These problems are becoming more serious for the indirect debts contracted on a short-term basis for the industrial, financial and service sectors. The state will have to take on the heavy burden of 70 percent of the interest. This is a figure exceeding all of the international reserves Venezuela had last year, and which commits almost all of the income expected for 1984, harsh though this figure may seem.

Today the country has international reserves totaling \$11,557,000,000, the treasury reports, and this is a figure which should reassure the creditors. In order to be able to begin negotiations with the Bank Advisory Committee, several conditions must be met. The government has fully satisfied some. It is working on others. Still others do not seem very clearly defined as yet, with only 3 weeks before the scheduled visit of the bankers, which will it is true coincide with the regular annual International Monetary Fund visit.

It is necessary to make an effort to keep the interest and amortization payments for the public sector up to date and to avoid any further lag. To this end, Decree 98 was promulgated, and it must be put into efficient operation for the creation of the payment centralization system for which it provides.

The policy which will be pursued with regard to the foreign debts of the banks and institutions subject to intervention must be defined. The presidential instruction prohibiting decentralized bodies from negotiating further foreign credit with prior authorization must be enforced.

All of the foreign bilateral agreements must be clarified and the payment mechanisms for principal and interest established, in order to guarantee the possibility of reestablishing the flow of operations which has now been suspended.

The new credit to be negotiated must be planned; the categories in which the nation will assume foreign debts must be defined; the registration of private foreign debts must be made more flexible; and Decree 96, pertaining to private debts, must be implemented. It would be well to remember that this coming 30 June, a date almost coinciding with the Bank Committee visit, the authorization for the payment of back interest for 1983 and the first quarter of this year must already have been completed.

A major concern throughout the national economy involves the need to reestablish foreign credit lines for the private sector. These lines have been cut off now, creating very serious problems affecting even the basic supply sector. The method for the payment of the private debt, in all its aspects, must be defined as soon as possible.

The government has submitted to the Economic Subcommittee an outline of its program of adjustments and projections. A definition of an immediate foreign exchange policy is regarded as basic in this period from 1984 to 1988, so

that our creditors will know what line to follow. The monetary policies must be matched by an effective price, cost and wage policy, for although the merchants and businessmen object, this is a requirement set forth by our lending sources.

Inevitable "interpretations" of the scheduled visit to Caracas by the International Monetary Fund delegation have emerged. Although it is a regular or planned annual visit, the opportunity must be taken to clarify for the delegation the definitive goal of the government and a consistent strategy, based on flexible and intelligent participation. It seems very obvious that the creditor banks continue to think that the endorsement of the IMF is very important for them in the talks, and with the almost simultaneous presence of the two foreign delegations in the country, it is necessary to be ready to give them answers.

Today the government is making important contacts with a view to defining the real capacity of the indebted government bodies to pay. It would make no sense to make commitments or proposals inconsistent with the real potential for fulfillment, and to an even lesser extent, for the republic to provide guarantees to this end. Our creditors know this.

In the definition of the complex of proposals to be discussed with the Advisory Committee, after having heard its objections and doubts, it is important to analyze alternate refinancing possibilities, to establish the path which will govern the legal documentation of the process, and to agree on programs for adjustment based on the national plans and realities.

What everyone knows is that one cannot hope to proceed with refinancing without meeting conditions.

The next 3 weeks will be crucial for the debt refinancing process. We have in our favor the fact that the bankers know that we have the resources with which to pay and that the government has said that in reality, it wants to pay.

A definition now of the way in which we will do it and how we will meet our obligations in such a way as to affect our popular economy as little as possible--this is what the representatives of the foreign banks hope to hear during their imminent visit to Venezuela.

And whatever the extent of the polemics on the subject, there would seem to be no doubt that President Lusinchi's decision not to participate in the joint declaration of the brotherly countries on debts and interest rates is a part of a much more profound view of the atmosphere in which Venezuela should face up to its debt situation.

As always, it will remain for the coming days to show whether the position of the chief of state was wrong, or if, on the contrary, it contributed to illuminating the path, enhancing understanding, reducing reservations and achieving the just renegotiation which the country so much needs in order to move full speed ahead.

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